

Final Report of the Task Force on Children in Placement

The Challenge of 1996 Senate Concurrent Resolution 107

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Research Report No. 280

**Legislative Research Commission
Frankfort, Kentucky**

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Final Report of the Task Force on Children in Placement

The Challenge of 1996 Senate Concurrent Resolution 107

LEGISLATIVE RESEARCH COMMISSION
1998

Research Report No. 280

**Legislative Research Commission
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Final Report of the Task Force on Children in Placement:
THE CHALLENGE OF 1996 SENATE CONCURRENT RESOLUTION 107

Introduction: With the enactment of Senate Concurrent Resolution 107, the 1996 General Assembly acknowledged that Kentucky's system for serving the residential placement needs of children should be examined. Social workers, courts, schools, community mental health centers, foster parents, and private child care providers are all struggling with the realities of an ever-increasing workload of tremendously difficult youth who must be served despite severely limited resources.

The issues the Task Force was asked to study are complex and affect literally thousands of children and their families. The children who require services come from every region of the Commonwealth. And while the Department for Social Services in the Cabinet for Families and Children ends up with the responsibility for most of these children, there are any number of agencies, both public and private, at the local as well as the state level, that are vested with the responsibility of providing for them.

Every year, the number of children needing services increases to the point of overwhelming available resources. And their needs are complex. The events or circumstances which trigger the need for placement usually do not fit into one single, or simple category. These are children who have experienced physical and sexual abuse or neglect. They have witnessed family or domestic violence. They may be struggling with substance abuse, emotional disabilities, or developmental delays. These children may have committed serious crimes or run away from home. Typically, they are confronting some combination of these issues.

The network of placement options available includes state-operated facilities, licensed facilities or hospitals operated by private non-profit or for-profit organizations, and a corps of foster parents recruited and supervised by the state. Despite this assortment of facilities, there are not enough beds available to provide the needed services. For instance, there are over 200 children on the waiting list for state facilities. An equally troubling situation occurs when a child is placed in a facility with an empty bed that does not offer the services that child needs. The pressing need for a placement, any placement, creates a situation where the bed that is available is the bed that is used.

The cost of treatment for these children is taking up more and more of the human services budget. In FY95, over 5,000 children were placed in foster care, at a cost of over \$46 million. It is costing over \$35 million a year to keep 1,350 children in private child care. Local governments are also struggling to serve the needs of these children. Local school districts confronted with the prospects of providing educational services to the children in the facilities located in their community face a budget and planning nightmare. During the 1995-96 school year, educational services were provided to 2,336 youth in 97 treatment programs, involving 47 local school districts.

Creation of the Task Force on Children in Placement was proposed as a way to bring together the people who are concerned about these issues, and those responsible for addressing them. The Task Force, in a public venue, was to examine and evaluate the current system of care, explore alternatives intended to improve service delivery, and propose recommendations for consideration by the 1998 General Assembly.

Jurisdiction: Pursuant to SCR 107 enacted by the 1996 Kentucky General Assembly (Appendix A), the Legislative Research Commission created the Task Force on Children in Placement to conduct a comprehensive study to:

- (1) Develop a complete baseline of information concerning facilities serving children and the treatment services and programs offered in these facilities, including what services are provided by each facility, the means used to verify services are consistently and appropriately rendered, and the criteria used to measure the effectiveness of the services rendered;
- (2) Develop an in-depth profile of the children served by these programs;
- (3) Identify the mechanism for decision making regarding placement, including what influences the development of resources and the contracting for services;
- (4) Explore the inadequacies of the range of options available and identify the gaps in the continuum of care, including the overreliance on and proliferation of high end, most intrusive, and most restrictive levels of care;
- (5) Review the current licensing or other authorization requirements for residential facilities caring for children and the assessment procedures for determining the level of care needed for a child and the means of assessment of the progress made by the child while in the facility;

- (6) Examine the current reimbursement rate structures and identify all sources of funding;
- (7) Identify high priority problems, needs, and areas to be addressed and make recommendations regarding improvement and clarification of statutes, administrative regulations, agency policies and procedures, and methods of assessment of and contracting for services; and
- (8) Undertake other tasks deemed necessary by the Legislative Research Commission.

Membership: In the process of selecting members for the Task Force, the Legislative Research Commission attempted to bring together citizen representatives of the agencies and individuals struggling to see that services are provided to children in placement. Geographic and agency diversity played an important part in the selection process.

The members of the Task Force included three members of the Senate and three members of the House of Representatives. The citizen members appointed represent former foster children, the parents of children in need of services, the state agencies vested with the responsibility to provide services to children in placement, the administrators of the private and public facilities serving children in placement, agencies contracted to administer educational programs for children in placement, persons who have an expertise in addressing the needs of children in placement, and advocates for children. One Senator and one Representative served as co-chairs of the Task Force. A list of members is included with this report as Appendix B.

Task Force Findings: In recognition of the complexity of the system and the depth of understanding required for effective evaluation, the primary goal for the Task Force meetings was to learn about the current system of services and facilities available to children in need of placement. Recommendations and concerns have developed over the course of this exploration of the current system, which have led to the observations included in this report.

Throughout the course of the Interim, the Task Force members steadily developed an idea of what should be included in a model system serving vulnerable children and their families. In February 1997, the Task Force adopted a Vision Statement (Appendix C) that declares the members' view of an ideal system.

The Task Force has produced the following documents:

- **GLOSSARY** - A glossary of terminology and acronyms was developed and provided for members.
- **VISION STATEMENT** - Throughout the course of the Interim, the Task Force members steadily developed an idea of what should be included in a model system serving vulnerable children and their families. In March 1997, the Task Force approved a Vision Statement that declares the members' view of an ideal system.
- **POINT IN TIME SURVEY** - Task Force staff conducted a survey of facilities, using December 15, 1996, as the Point in Time reference to document information about the children residing in the facility on that day. Findings assisted the members in understanding what type of child is placed in what type of facility at what cost.
- **SURVEY OF DSS FOSTER PARENTS** - In response to a Task Force request, DSS staff conducted a survey of all foster care workers, seeking information about each foster home supervised by the department, and each child living in each of those foster homes. Survey findings included a profile of state foster homes and a greater understanding of the needs of children in foster care.
- **PUBLIC HEARING** - In January 1997, the Task Force convened a public hearing, seeking comments from a variety of interested persons, including parents and children, foster parents, social workers, private child care facilities administrators and staff, child advocacy organizations, including CASA volunteers (Court Appointed Special Advocates), local and state Foster Care Review Board members, Guardians ad Litem representing children and attorneys representing parents, judges, health care providers, mental health professionals, educators, and others who might wish to offer comments.
- **BUDGET RESOLUTION** - In July 1997, in response to news of a budget shortfall crisis, the Task Force adopted a Resolution urging Governor Patton to direct the Cabinet for Families and Children to determine an accurate level of funding needed by DSS and to use that baseline in determining future budget requests.

The Task Force received briefings and technical assistance from several leading experts, including:

Dr. Osa Coffey, External Evaluator for the Kentucky Educational Collaborative for State Agency Children (KECSAC), presented information derived from surveys which gathered data regarding children in placement, and from local education professionals. Dr. Coffey's publication of the research is entitled "Listen to the Children" and offers a description of children served and their educational needs.

Jake Terpstra, retired Specialist in Residential Care and Licensing for the Children's Bureau, U.S. Department for Health and Human Services, a nationally recognized expert in the field of licensing for children's services, provided technical assistance and consultation. Mr. Terpstra addressed the assessment, and revision if necessary, of the current licensure categories for private child care facilities, the procedure for steering the development of private facilities, and the structure and policies of the licensing authority.

Dr. Otto Kaak, M.D., University of Kentucky Outpatient Psychiatric Department, Kentucky Clinic, presented an overview of attachment and permanency issues for children in placement and his observations on the repercussions of disruptions in placement.

Jennifer Nelson, Permanency Planning Specialist with the National Resource Center for Permanency Planning, presented an extensive overview of the federal expectations, state compliance requirements, and model initiatives for permanency planning for children removed from the custody of their parents.

Janet Hodge, Virginia foster parent and Chair of the National Foster Parent Association, Inc. AD HOC Committee on Foster Allegation Support Teams (FAST), presented the fundamental purposes of the FAST concept. Rather than serving as advocates or representatives for foster parents, FAST team members provide information and assistance to foster parents accused of abusing or neglecting foster children.

The purpose of this final report is to relate the discoveries of the Task Force and to describe the rationale for recommendations. The information will be presented within the framework of the eight areas of study required by SCR 107.

1. Facilities Serving Children - *Develop a complete baseline of information concerning facilities serving children and the treatment services and programs offered in these facilities, including what services are provided by each facility, the means used to verify services are consistently and appropriately rendered, and the criteria used to measure the effectiveness of the services rendered.*

The facilities serving children include both state-operated and privately-operated facilities with which the state has an agreement or contract. The task of developing a baseline of

information about these facilities has proven to be more complicated than originally envisioned. Lists initially provided to the Task Force did not include all types of facilities or contain information about the number of beds available or the per diem rate paid for services. It was determined that a survey of facilities conducted by the Task Force would be the best means of gathering the information needed.

Point in Time Survey of Facilities

The Point In Time Study of Facilities was distributed in December 1996, with instructions for facilities to respond with information about the residents present in the facilities on December 15, 1996. The survey was distributed to all licensed private child care (PCCs) agencies, state-operated facilities, psychiatric residential treatment facilities (PRTFs), and psychiatric hospitals. On December 16, 1996, the Department for Juvenile Justice (DJJ) assumed responsibility for all state-operated facilities. As a result, the survey of these facilities was completed regarding the residents in each facility on that date. The return rate for the survey was extraordinary. There was 100% return from the ten PRTFs, nine psychiatric hospitals, and 25 DJJ facilities, and a 92% return from PCCs. Surveys were distributed to 119 private agencies, with 104 completed and submitted, nine were not returned, and six were determined to be inappropriate for completion, either due to closure of the facility or conversion of the facility to serve adult populations. Of the 104 surveys completed, two were determined to be from facilities outside the scope of the study, including an aftercare program, and a hospital based respiratory care center. Copies of the letter of introduction, survey instructions, and instruments are included as Appendix D.

For each child resident, the survey asked for the age, gender, home county, date of admission to the facility, legal custody status, type of legal custody, entity placing child in the facility, and payment received for one day's care. For residents of psychiatric hospitals and PRTFs, the survey also asked for the child's diagnosis and whether the payment was made by state Medicaid funds. For residents of PCCs and DJJ facilities, the survey asked whether the child had been assigned a "level" through assessment by the Children's Review Program, and if so, what level was assigned. The levels system is one in which a private agency is contracted to evaluate the level of complexity of a child's needs and determine the level or rate of payment for the child's care.

State facilities

State-operated facilities surveyed include thirteen residential treatment facilities, with a total of 364 beds occupied on December 16, 1996, and twelve group home facilities, with a

total of 80 beds occupied at the time of the survey. In addition, the state has program administration contracts with private licensed facilities, which were included in the private facilities category of the survey.

Private facilities

Documents provided to the Task Force by the Department for Social Services (DSS) indicate there are a variety of private placement options being utilized. Private child care agreements are in place for providers operating group homes, foster homes, emergency shelters, psychiatric residential treatment facilities, independent living programs, and a parenting teen program. Psychiatric hospital services are made available at two facilities under contract, for a total of 84 beds, and eight other hospitals have "agreements" to provide services as needed for individual children. Maternity home placements are made pursuant to a personal service contract with one agency.

The licensure regulation for private child caring facilities includes universal requirements for all licensed agencies, plus additional requirements for subcategories including residential treatment, independent living, group home, and emergency shelter. Through the Point in Time Survey, it was discovered that some facilities have a combination or hybrid license that blends requirements for two of the licensure subcategories. Listed below are the number of facilities in each licensure category which responded to the Point in Time survey.

Summary of Types of Facilities	Beds occupied 12/15/96	Total Beds
Department for Juvenile Justice Operated Facilities		
13 Residential Treatment Facilities	364	439
12 Group Homes	80	96
74 Private Child Care Facilities		
27 Residential Treatment	638	733
12 Group Homes	116	138
11 Emergency Shelters	118	176
6 Independent Living	50	55
8 Residential Treatment and Group Home	41	46
3 Residential Treatment and Emergency Shelter	120	153
5 Group Home and Emergency Shelter	20	38
2 Residential Treatment and Independent Living	19	25
Private Child Placing Agencies - Foster Care		
21 Agencies providing private foster care homes	393	varies

Psychiatric Placement Alternatives		
10 Psychiatric Residential Treatment Facilities	77	
9 Psychiatric Hospitals	161	

For the purposes of analysis of the survey results, Task Force staff evaluated the information concerning children who were in placement and who were in the custody of the state. Some children residing in the surveyed facilities were not in the custody of the state and were placed primarily by relatives. On the date the survey was taken, there were 2001 children in placement who were in the custody of either the Department for Social Services or the Department for Juvenile Justice. A summary of the data by DSS district and by county is included as Appendix E, and includes a map showing the location of the DSS districts. The chart below indicates the distribution of children in legal custody by type of facility and confirms the critical role of private providers in serving the residential needs of children in state custody.

Distribution of children in Placement by Facility Type on December 15, 1996	Number of Children
Private Child Care Facilities	966 (48%)
Department for Juvenile Justice Facilities	444 (22%)
Private Child Care / Foster Care	353 (18%)
Psychiatric Placement Alternatives	238 (12%)

Department for Social Services Survey of Foster Homes

The Department for Social Services conducted a survey of foster homes operating during the summer of 1996. While intended to be a "point in time", the survey data suggests completion varied from district to district and generally occurred from June to August 1996. Unfortunately, data for Jefferson County is incomplete at this time and is not included in the totals related here. Table 1 on the following page summarizes the information reported about the foster homes.

Charts in Appendix F summarize information concerning the children in DSS foster homes. One question often raised in discussions about foster homes is whether the homes are overcrowded, with too many children with varying needs and multiple issues. Administrative regulations mandate a maximum number of six foster children per home, with some exceptions made, on a case-by-case basis. The survey revealed that 20% of the foster homes had no foster children at the time of the survey, 76% had six or fewer children, and only 4% (or 61 homes) had more than the mandatory maximum of six foster children.

As part of the survey designed by DSS staff, a list of special needs was developed and staff completing the form were instructed to check-off as many of the items for each child as was indicated. No items were checked for 38% of the foster children. At least one item was checked for 62% of the foster children. One child had 20 of the items checked. By rank-ordering the items most frequently checked, the following list of "the top ten" special needs was developed.

Special Needs for DSS Foster Children Listed by Rank Order For All Ages Combined	
Ranking (# of children indicated)	Special need
1 (753)	Multiple Placements
2 (725)	Needs Intensive Supervision
3 (683)	Has Behavior Problems at School
4 (634)	Has Learning Disabilities
5 (611)	Hyperactive
6 (582)	Difficulty Establishing Relationships
7 (522)	Other
8 (411)	Sexually Acts Out
9 (346)	Depression
10 (293)	Assaultive Behavior

2. Profile of Children in Placement - *Develop an in-depth profile of the children served by these programs*

The challenge of developing a profile of children in placement is that the population to be defined is constantly changing. Children move into and out of facilities every day. While social workers with case responsibility may know where children are residing, tracking their movement and documenting their status from a statewide vantage point is a difficult task.

Current data collection system

All services provided to a child or family are recorded by front line social services or juvenile justice staff. For DSS, the data sheets are sent to a district data center, where the information is reviewed and forwarded to the Systems Administration Branch of the DSS, a

similar process is in use by DJJ. The availability of current, accurate information concerning a specific child or all children in the state's custody is contingent upon the timely submission of reports by front line staff. The reliability of the data received at the state level is dependent upon accurate data entry at the district level.

Statewide reports generated from the data system are produced by the Department for Information Services (DIS), which responds to requests from the DSS Systems Administration personnel. The validity and accuracy of the reports depends upon several factors: 1) workers entering data on the DSS-887 form correctly and in a timely manner; 2) district data center staff keying the data accurately and in a timely manner; 3) DIS programmers being able to write a program that pulls data correctly; and 4) data controllers being able to identify the correct dates to use in the search parameters, to assure that the correct timeframe, and thus correct data, is retrieved. Gathering current or historical data on children in placement in other than the standard report format was a difficult task. Ad Hoc reports are rarely run, due to the high cost of special programming and the timing of requests sent to DIS.

Routine Reports

Rather than request an Ad Hoc report from DSS, the Task Force initially reviewed a standard report which is generated every year. Kentucky law requires DSS to submit an Annual Report on Committed Children to the Legislative Research Commission (Appendix G). This report is expected to provide a summary of the department's services to children. According to the testimony of department staff, the report is an example of how difficult it is to retrieve meaningful, accurate data on a timely basis. While the Annual Report provides some general impressions on the children in the state's custody, it does not answer the questions posed by SCR 107.

Another routine report, the Commitment Activity Report By District, is generated on a quarterly and fiscal year basis to provide Family Services managers in each district with a method of tracking committed children. This is the same report utilized by the Justice Cabinet Activation Committee, which implemented the requirements of 1996 House Bill 117 to transfer responsibility for certain facilities and programs from DSS to the Justice Cabinet. The Commitment Activity Report for fiscal year 1996 dated December 4, 1996, was made available to the Task Force. The Task Force staff prepared a number of charts and graphs which summarize this information. A copy of these documents is included in this report as Appendix H.

An analysis and comparison of the age, race and gender of the children in legal custody included a conversion of data into "rates per 1,000" using population data from the U.S. Census Bureau. A chart of the information by DSS District (Appendix I) shows wide disparity of rates of custody throughout the Commonwealth. A summary of the statewide rates appears below.

RATES OF CUSTODY

Summary of Rates per 1,000 data	Statewide totals
Children in Legal Custody	11 children per 1,000 children
Gender of Children in Legal Custody	12.4 male children per 1,000 male children 9.3 female children per 1,000 female children
Race of Children in Legal Custody	8.5 White children per 1,000 White children 31.1 Non-White children per 1,000 Non-White children
Age of Children in Legal Custody	Birth to 6 yrs - 6.75 children per 1,000 7 to 12 yrs - 6.61 children per 1,000 13 to 17 yrs - 18.36 children per 1,000 18 yrs and over - 12.28 children per 1,000

TWIST

Recognizing that the data systems used to collect and compile information about cases are outdated, DSS has developed a new data system, The Worker Information System (TWIST), which was demonstrated at the September 1996 meeting of the Task Force. The TWIST program is designed to offer word processing capabilities that to make data easy to enter and the case files more accessible to both the worker and supervisors. The system is a Microsoft-Word-based software program written specifically for Kentucky DSS. It will operate from personal computers in each DSS office. The information recorded in each computer case file will be accessible at the state, district, and local level and will provide a full array of documentation on placement activity, facilities, payment structures, family health status, court activity, educational attainment, foster care placements, and availability of a range of resources.

The advantage of this new information system will be that it will enable caseworkers and supervisors to monitor service delivery and placement by type of legal custody, by location,

and by worker. Caseworkers will also be able to produce court reports and various program eligibility forms by retrieving data contained in the on-line case record. The computerized case file will not, however, replace the hard copy file, which will still be maintained, since documents received from other agencies must be maintained and legal documents with original signatures must be kept on file.

Wiring and equipment problems and delays are anticipated and it will be some time before routine reports will be available from the TWIST data system, since the entry of historical information on current cases will require a significant amount of time and effort.

Summary Data

Using all data sources identified by the Task Force, two summary documents were prepared and are included as Appendix J. In one year, an estimated 110,454 children were brought to the attention of the state authorities as a result of reports of abuse and neglect, or because of complaints regarding the child's behavior including running away from home, truancy from school, behavior, beyond the control of parents (which are considered status offenses), or criminal activity "which are considered public offenses". Since Kentucky's population includes over 1 million children under the age of 20, nearly 10% of Kentucky's children encounter the social services or legal system each year.

Only 25% of the children brought to the attention of the authorities end up in court. Court Designated Workers (CDWs) successfully divert a number of status and public offenders away from court through diversion agreements, which can include restitution, community service, and other directives ordered in lieu of formal court action (see Appendix K). Social services staff concluded that less than half (42%) of the 40,000 reports of abuse and neglect were worthy of substantiation or an agency finding that there was reason to believe the allegations were true. Petitions were taken in only 15% of those reported cases of abuse and neglect.

Not all children formally taken before the court end up in the legal custody of the state. When formal court action is initiated, judges have a range of options available to dispose of the cases, including orders to attend counseling, make restitution, participate in community service, remain under the supervision of probation staff, or even dismissal of the action, when appropriate. Data indicates that approximately 11% of the petitions before the court in a year's time result in the child being placed into the custody of the state (also referred to as "committed to the state").

When children are committed, they are not always removed from their homes and placed in a foster home or residential setting. According to the DSS Commitment Activity Report for December 4, 1996, 11,819 children were in legal custody yet only 45% were in placement. The children in custody but not in placement were residing with parents or another relative, or in an adoptive placement. The chart below illustrates the reason for commitment and the living arrangements for these children.

As of December 4, 1996, there were 11,819 children in the legal custody of the state.	
Why were the children committed?	Where do they live?
Dependency, Abuse, Neglect: 4,034 (34%)	Out of Home: 5,326 (45%)
Status: 896 (8%)	DSS Foster Care: 3,488 (30%)
Public: 2,288 (19%)	Private Child Care: 1,112 (9%)
Voluntary: 225 (2%)	State Facility: 523 (4%)
Emergency Custody: 610 (5%)	Psychiatric Hospital: 203 (2%)
Temporary Custody: 2,404 (20%)	With Parents, Adoptive placement, or
Probated: 2,362 (12%)	Relative: 5,986 (51%)
	with parents: 4,425 (37%)
	with relative: 1,267 (11%)
	Adoptive Placement: 293 (2%)
	Other: 379 (3%)
	Adult: 129 (1%)

3. Placement Decisions - *Identify the mechanism for decision making regarding placement, including what influences the development of resources and the contracting for services.*

Current Process

The Task Force heard testimony at several meetings about the manner in which placement decisions are made for children in the legal custody of the state. DSS staff explained the agency's policies and procedures, and presented a detailed description of the typical out-of-home care placement process, using a "Process Map", which is a product of the Governor's Empower Kentucky initiative. Task Force members were also provided with an overview of the system and a summary of Juvenile Court procedures.

Levels of Care

A relatively new component of the decision making process is the levels of care program implemented in May 1996. When a decision is made to refer a child to private child care facilities, information is compiled by the caseworker and sent to an independent gatekeeper, who is under contract to assess the child's needs and determine the level of care needed. This information is then sent back to the caseworker, who submits requests for placement to various private child care providers, based on the level assigned. For further discussion of the levels of care program, see the Executive summary of the Children's Review Program's (CRP) first annual report, included as Appendix L. Additional comments relating to levels of care can be found in the fifth area of the Task Force study, entitled "Licensure, Assessing Needs, and Evaluating Progress".

In response to Task Force requests, CRP examined its data set and provided information concerning the twenty children with the most placements (Appendix M). These children had between 23 and 63 placements, averaging between 2 to 10 per year. The time children spent in each placement ranged from 14 days to 131 days. The data indicated a progression over time of children moving from foster care to a variety of placements and ultimately into private child care. Perhaps most disturbing was the fact that 42% of the children with more than 20 placements had parental rights terminated and were free to be adopted. The history of the children revealed a greater tendency to have experienced abuse and neglect (59%). The CRP staff characterized these children as more disturbed, engaging in more risky behavior which resulted in these children more frequently being assigned the highest level of care.

4. Range of Placement Options - *Explore the inadequacies of the range of options available and identify the gaps in the continuum of care, including the overreliance on and proliferation of high end, most intrusive, and most restrictive levels of care.*

Geographic distribution

As discussed earlier in this report, identification of the facilities currently serving children in placement was difficult. Using the information that was initially provided to the Task Force by DSS, a state map documenting the geographic distribution of group homes, residential treatment centers, psychiatric residential treatment centers, emergency shelters, and psychiatric hospitals was prepared for the Task Force. A

second map identified the availability of foster care and independent living services. The maps show a clustering of residential services, rather than an even distribution throughout the state.

As more information about the facilities was compiled through the Point in Time Survey of Facilities, these maps were updated to reflect the extent to which children are placed in geographic proximity to their home community. The study revealed that 61% of the children in private child care facilities were placed outside of the DSS district in which their home was located. Over 90% of the youth in state-operated juvenile justice facilities were placed outside their home district. The survey findings indicated that facilities located in 40 counties were serving the residential needs of children from 114 counties. A key recommendation of the Task Force is to implement a mechanism to determine the gaps in the current system and the types of services or facilities needed locally to improve the range of options available for children.

5. Licensure, Assessing Needs, and Evaluating Progress - *Review the current licensing or other authorization requirements for residential facilities caring for children and the assessment procedures for determining the level of care needed for a child and the means of assessment of the progress made by the child while in the facility.*

Licensure

The Task Force began reviewing the licensing requirements for residential facilities by hearing testimony concerning the role of the Division of Licensing and Regulation (L&R). Kentucky private child care providers also testified regarding their observations of the current regulatory environment. Concern was raised about the adequacy of the administrative regulations governing licensure requirements, the lack of an opportunity to resolve disputes concerning deficiencies, the restrictive nature of the standards that inhibit development of creative placement options, and the consistency with which the regulations are interpreted and applied throughout the state.

Assessing Needs

On May 15, 1996, the department implemented a "levels of care" reimbursement system. This system requires initial and periodic evaluation of each child who is to be referred to, or is already placed in, a private child care facility. The evaluation is intended to ascertain the

child's treatment needs and determine the level of care necessary to address those needs. The department established four levels of care, which reflect both the type of care required and the reimbursement rate approved for that level. The department has contracted with the Children's Review Program, operated by the Bluegrass Regional Mental Health and Mental Retardation Board, Inc., to serve as the external "gatekeeper," responsible for conducting the evaluations of children.

In a presentation to the Task Force, the Director of the Review Program indicated that they are collecting information regarding each child's placement history, which facilities they are placed in, the costs of services, lengths of time in treatment, and discharge outcomes. The primary function of the gatekeeper is to assign levels of care to children referred by caseworkers and conduct periodic re-evaluations to insure that the appropriate level of care is given throughout the child's time in placement.

Evaluating Progress

When children are placed in a private child care facility, the gatekeeper also assumes a quality assurance role and is responsible for determining whether services included on the child's treatment plan are actually being provided during the child's stay at the facility. The Review Program is also required to collect and analyze data for the purpose of tracking children through the service delivery system during their time in placement, and to evaluate outcomes for individual children, as well as the entire system of care.

6. Reimbursement Rates and Funding Sources - *Examine the current reimbursement rate structures and identify all sources of funding.*

Current and Projected Costs

The Task Force heard testimony at many meetings about reimbursement rates and funding sources for children in placement. In fiscal year 1995, the state spent over \$127 million providing out-of-home care to children. Of that amount, approximately 29% came from the state general fund and agency funds, while 71% came from the federal government through block grants, Title IV-B, Title IV-E, and other federal sources. The information presented indicates that every year, more children are being served, and that those children are generally more expensive to serve. In fiscal year 1995, the total annual cost per child ranged from \$8,477 for a child in a state foster home to \$26,000 for a child placed in a residential

treatment facility The number of children in private child care facilities has increased dramatically since 1993, with total payments to such agencies nearly doubling.

In response to a budget crisis, the Cabinet for Families and Children formed several workgroups to find alternatives that would decrease the cost of out-of-home placement and maximize the federal funds reimbursed for services provided in facilities. The workgroups included private child care providers and DSS staff. Presentations to the Task Force outlined the approach recommended by these collaborative entities, and many were adopted by the cabinet. Despite the fact that these groups did not recommend cutting the rate of reimbursement paid to providers, a rate reduction was implemented on October 1, 1997, by the promulgation of an emergency amendment to existing administrative regulation governing payments. Providers contend that the budget crisis in part resulted from the cabinet's miscalculation and underestimation of the number of children needing the highest level of services and therefore garnering the highest level of payment. Table 2 is a summary of this information, provided by the Kentucky Children's Alliance to the Task Force relating to this issue.

Foster Care Subcommittee

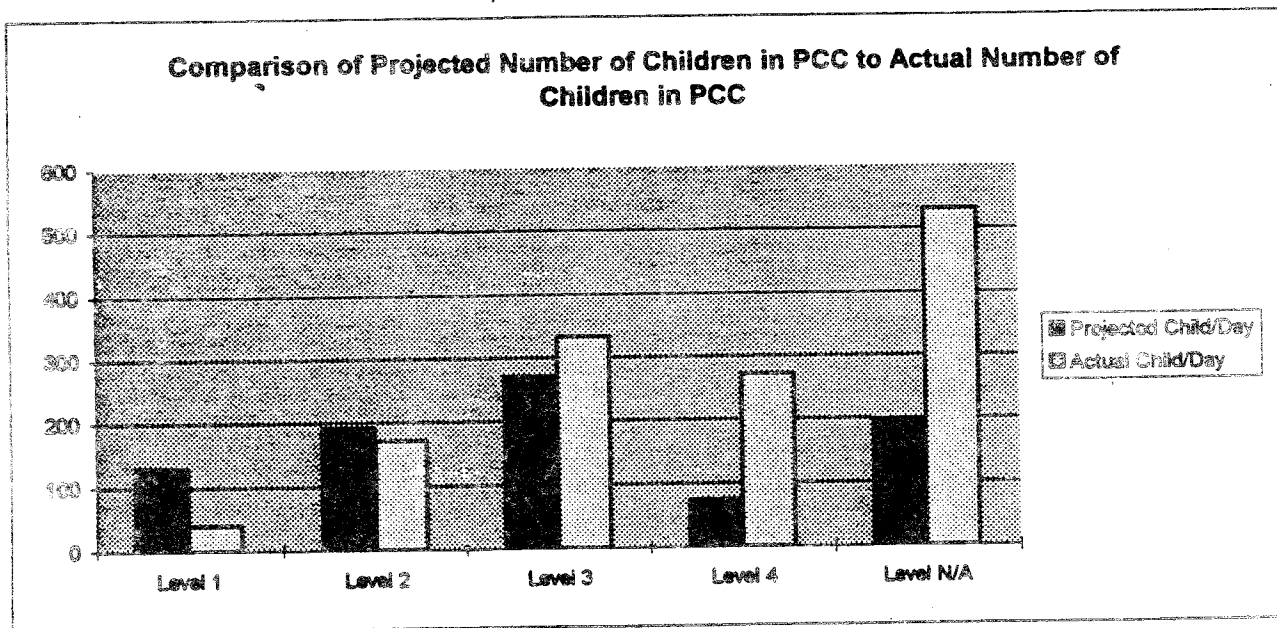
At its August 1996 meeting, the Task Force created the Subcommittee on the Cost and Reimbursement of Foster Care. The subcommittee consisted of three task force members. The final report of the subcommittee and recommendations can be found in Appendix N.

Recurring Budget Crisis

In July 1997, in response to news of an estimated \$60 million budget shortfall, the Task Force adopted a Resolution urging Governor Patton to direct the Cabinet for Families and Children to determine an accurate level of funding needed by DSS and to use that baseline in determining future budget requests (see Appendix O). Citing a history of budget crisis and consistent underfunding, the Task Force contended that circumstances for children in placement will not change if the agencies responsible for their care are never given a proper amount of funding to meet the responsibility.

Comparison of Project Number of Children in PCC to Actual Number of Children in PCC

	Projected Child/Day	Actual Child/Day	Projected \$	Actual \$
Level 1	130	40	\$ 2,128,365	\$ 654,675
Level 2	192	171	\$ 4,564,300	\$ 4,056,303
Level 3	270	334	\$ 13,279,005	\$ 16,435,781
Level 4	74	271	\$ 4,880,160	\$ 17,779,587
Level N/A	<u>197</u>	<u>530</u>	\$ 4,999,170	\$ 13,922,474
	863	1346	\$ 29,851,000	\$ 52,848,820



The estimates above were provided by Curt Ehmantraut (Cabinet for Families and Children, Division of Program Management)

To the Children's Alliance and Presented to the Task Force on Children in Placement
April 9, 1997

- 7. Recommendations** - *Identify high priority problems, needs, and areas to be addressed and make recommendations regarding improvement and clarification of statutes, administrative regulations, agency policies and procedures, and methods of assessment of and contracting for services.*

The recommendations of the Task Force follow discussions of education issues.

- 8. Undertake other tasks** *deemed necessary by the Legislative Research Commission.*

Educating Children in Placement: Background

Since the 1950's, the state has appropriated moneys to school districts educating out-of-district children. "Out-of-district children" was narrowly defined as only for those children in CHR-financed and -contracted facilities. An interagency task force established in 1985 to look at the educational programs at CHR facilities found substantial disparities in the way programs were funded, the resources available, the educational backgrounds of the staffs, and the courses offered. In fact, the task force found that some local boards provided a full array of courses with little staff, and that one residential program offered music appreciation and science in lieu of remedial reading and basic skills instruction.

Senate Bill 260 enacted in 1992 established a collaborative to oversee the education of state agency children. The collaborative's goals were to improve the quality of the education programs, adopt Educational Reform initiatives for these programs, and equalize funding. The bill's language expressly notes that funding over and above that provided children in the regular program will be provided to districts educating state agency children. That language, in relevant part in KRS 605.110, states that the Collaborative for State Agency Children shall be financed through the amount generated by state agency children under the SEEK program [including the guaranteed base and the adjustments for the number of at-risk and exceptional children and transportation costs], a per pupil distribution of technology funds, a per pupil distribution of textbook funds, the funding specially set aside for state agency children.

In 1994, the law was amended to expand the definition to include children in private facilities, other than foster care, and those children of school age in home-and community-based services provided as an alternative to intermediate care facility services for the mentally retarded. No additional moneys were appropriated for children with exceptional needs or children in foster care.

Educating Children in Placement: Discussion

In testimony before the Task Force, the two concerns that most frequently arose concerning the education of state agency children were the adequacy of funding and the quality of the educational services provided. Some of the school districts' funding difficulties may be attributed to the method by which the state agency children programs are funded. State funding for educating these children is generated primarily from the fund to Support Educational Excellence in Kentucky (SEEK). Under SEEK, state educational moneys are generated based on the number of students in average daily attendance the previous year, with add-ons for transportation costs, the number of students with disabilities on December 1 of the previous year, and the number of at-risk students (those receiving free or reduced lunch). The prior year's average daily attendance is adjusted for any increases in the student population during the first two months of the current school year. If a facility opens or expands, the school district educating those students will not receive SEEK funding for those children until the next year, and will not receive until two years have past, the special education add-on for children entering after December 1 of the school year. These children oftentimes must be in smaller classes and require more expensive services. Also, the transient nature of many of these children further complicates funding. School districts may hire teachers and aides who are no longer needed when children move. However, these districts do have contracts with the teachers and aides, and are forced to absorb the costs.

An additional source of state funding available to school districts serving children in state-operated or contracted facilities is the State Agency Children Fund. This Fund provides additional moneys for children in day treatment and in residential programs operated or contracted by either the Department for Social Services or the Department of Juvenile Justice.

Prior to the inception of KECSAC, there were marked differences in the amount of moneys districts provided for the education of state agency children. A report from a 1985 interagency task force indicates that the cost per year for children in delinquent programs ranged from \$4,650 at Green River Boys' Camp in Butler County to \$11,722 at Central Kentucky Treatment Center in Jefferson County. Similar differences were found in day treatment programs, ranging from \$10,511 at Louisville Day Treatment in Jefferson County to \$2,661 at Bullit County Day Treatment. The approach which is to be finalized at the end of a four-year period provides gradual increases for those receiving less in funding and gradual decreases for those with greater funding. In FY 98, \$2,330 was provided for each child in day treatment programs and \$2,844 for each child in residential treatment.

The problems with funding have been further aggravated because the programs serving state agency children are not geographically distributed throughout the state. Presently, state agency children are located in 51 districts. KECSAC indicated in its December 2, 1996 child count that four school systems were each serving over 100 children---Jefferson (526), Hardin (178), Daviess (118), and Fayette (118). Combined, those districts serve over 405 of the 2,343 state agency children. The number of state agency children range from 2 in Somerset Independent Schools to 526 in Jefferson County Schools. State agency children are educated both in public schools (24%) and on the treatment program campus (76%). A survey of facilities conducted by LRC further documents the uneven distribution of children in the system. That survey showed that 61 percent of the children in privately-operated child care facilities were educated outside their Department for Social Services district and that over 90 percent of the youth in state-operated juvenile justice facilities were placed outside their home districts. The findings also indicated that 40 school districts were educating children from 114 counties. The residency of children in state-operated or contracted facilities is determined to be the district in which the child sleeps.

School districts are adversely impacted if they have large numbers of children whose educational costs are extensive. The KECSAC child count of state agency children shows that 43 percent of the state agency children were reported to have an active Individual Education Plan. Of those children, 71% have severe exceptionality, 28% had moderate and 1% had a speech disability. The majority(61%) of the children were in grades 9-12; 32 percent were in grades 6-8; and 7 percent were in the primary program. The districts report that the inclusion of some special education children results in an additional teacher or aide being hired, or the services of a speech pathologist or physical therapist being procured, noting that the costs far exceed the moneys generated through the SEEK Program and the state agency children funds.

The Task Force on Residency, established pursuant to Senate Resolution 105 in the 1996 Legislative Session, has recommended that the state bear the costs of educating state agency children whose parents reside outside the school district if the district's costs of educating the child exceeds by 20% or more the costs provided for that child from state and federal funds. The Residency Task Force, in making its recommendations, has recognized that by placing the responsibility on the local district to educate students from outside its district, local and state moneys that would have gone to the district's own children are being diverted to the children of nonresidents. Under this proposal, the district will be reimbursed for a significant amount

of its costs. The Residency Task Force estimates that this covers approximately 15 to 20% of the children. This recommendation has also been supported by the Kentucky School Board Association.

An additional recommendation that impacts both a district's financial ability to educate state agency children, as well as the quality of its program, is that local resources be considered before placing a child or establishing a new facility in the district. Even though CHR treatment programs must notify schools of impending new facilities, current licensing regulations require a private facility to arrange for the education of youth, and psychiatric facilities must enter into formal written agreements with the local school district as a part of the certificate of need process, school districts note that the process is merely perfunctory. They note that typically a school district has neither prior knowledge of the pending placement nor the social needs of the child involved. This recommendation specifically conditions the licensing or expansion of a facility on the submission of a Certificate of Resources to a review board, which will evaluate and determine the availability of necessary resources in the proposed area. The recommendation is premised on the notion that children are best served if the school staff is able to provide the children with an educational program. Disproportionate populations of children who require intensive services inevitably create a tension between the community's high educational expectations and services to children.

Another recommendation of a similar vein is to require that an interagency agreement be entered into between the state education agency and other state and local educational agencies describing the roles each will play in providing and paying for the services required by federal law. It is also proposed that the interagency agreement establish procedures for resolving disputes among the parties and securing reimbursement from the parties to the agreement.

Some school districts report that making suitable placements has been aggravated by the lag between the time a child enters a school and the arrival of the child's records and have advocated, in conjunction with the School Boards Association and the Residency Task Force, that the use of an educational passport be mandated. The educational passport would be presented to the receiving school or facility at enrollment and would provide basic demographic and academic information about the student and identify records that are available regarding the student. Alternatively, it has been suggested that a receiving facility be required to get parental permission or a court order to obtain the child's medical or school records as a condition of accepting the child.

In testimony before the Task Force, the Children's Alliance has proposed that a child's treatment and educational program be integrated, and that educational services should be provided in a seamless manner, utilizing appropriate teaching methods as children move from one placement to another. The Children's Alliance has expressly advocated that there be sufficient flexibility to allow older children a variety of programs and has proposed that older children with academic limitations have the flexibility to spend the needed time on learning life skills for independent or group living.

While noting that the influx of state agency children funds has made a substantial and positive impact, there are still wide discrepancies between school systems regarding the services that are available to children in out-of-home care. One example of such a discrepancy is that KECSAC funding does not follow a child when the child moves from a residential placement to a foster home. Arguably, the educational needs of the child are the same, but the school system no longer receives the additional dollars.

Other proposals relating to the education of state agency children are: assessing a child's educational level early, so that the child receives help before the problems intensify; tutoring in aftercare services to assist children in maintaining their educational level upon returning home; and establishing a comprehensive statewide program of regional resources for state agency children. It is suggested that the latter proposal will permit a school district to develop a program for a relatively stable population of children with identified needs.

Recommendations of the Task Force on Children in Placement December 1997

Goal of the System Serving Children in Custody

- | | |
|---|--|
| 1 | The goal of the placement process should be to provide a healthy, safe, and secure living arrangement for each child, with access to the education and treatment services to provide for the special needs of the child while a permanent home is found. |
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Findings

- | | |
|---|---|
| 2 | <p>Ideally, services should be available to prevent the escalation of need which triggers the need for placement. However, the scope of study by this Task Force has been focused on the circumstances of children AFTER the decision has been made for the child to be placed.</p> <p>The demand for services exceeds the resources available.</p> <p>More children need placement than there are placements available.</p> <p>Children should be provided services as close to home as possible.</p> <p>Geographic distribution of the needed services or facilities would better serve children.</p> <p>The number of moves each child experiences before permanency is achieved must be minimal.</p> <p>The department really has no control over what private programs are developed and where.</p> <p>Licensing requirements should be the minimum standard that is acceptable to operate a facility.</p> <p>Ensuring quality services for each child requires a prudent purchaser of services.</p> <p>DSS should be assessing the outcomes for children and buying quality services that work.</p> <p>However, the state is not in a bargaining position to provide the best place first.</p> <p>Many times an available bed is selected because it is available not because it is the best place for the child, the closest to home, or provides high quality services.</p> <p>In fact, some children may remain at home as a result of an inadequate number of alternatives.</p> <p>Transitions for children exiting care is vital to sustaining the progress made in treatment.</p> <p>Aftercare and independent living are critical steps to supporting and sustaining progress.</p> |
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End Recurring Budget Crises

3

Determine Accurate Level of Funding Needed for DSS

The history of recurring Department for Social Services budget crises and routine use of temporary strategies to resolve shortfalls has resulted in an unreliable baseline upon which to predict future budgetary needs.

Require the Cabinet for Families and Children to determine an accurate level of funding needed to sustain and continue the services and programs currently provided by the Department for Social Services, with specific attention to the requirements of children in out-of-home care, and to use that baseline in determining future budget requests. The Task Force further asks that Governor Patton support this cabinet effort by using the resulting figures as the baseline of need and as the starting point for calculating the continuation budget for fiscal years 1999 and 2000.

Determine Accurate Level of Funding Needed for Facilities or Foster Homes

For entities offering residential services, a process should be implemented to establish the payment of contract rates based on each individual agency or facility's reasonable cost of providing the service.

For state supervised foster homes, SEE RECOMMENDATION #29.

Create a Placement Coordinator

4

Replace current method of making DSS placements; District-level Placement Coordinator

When a child is committed, the Children's Review Program (CRP) assigns a level, and then it is left to a front line social worker to find the placement. On a quarterly basis, DSS distributes a list of private child care facilities with contracts with the department and an indication of the type of child and what level each facility will accept. That information is then used by the front line social worker to search for a placement alternative appropriate for the child.

There is no determination made as to one child's priority for placement over another child. Some people believe children from certain geographic regions may receive priority for placement over children from other areas of the state. Others believe the relationship of the DSS staff to the facility staff may expedite placement of one child, regardless of the desperate needs of another child whose worker does not have the clout to arrange the placement.

Rather than having each individual frontline social worker arranging placements for the children on their caseload, a District level Clearinghouse or "Placement Coordinator" should be established with a statewide coordinator. This would put in place an entity that would know what resources or beds are available, would be made aware of the needs of the child, and would be expected to verify or concur that the placement or move is appropriate. This entity would operate on the premise that only local placement options could be considered first, with documentation of what was needed locally and what was not available for a child of a certain age and with certain needs. Only after determining local options were not available would the placing entity be permitted to consider alternatives in the contiguous counties, with similar documentation if the appropriate placement resource was not available. Then District-wide options could be considered; then Regional resources; etc. And only after all other options were examined and dismissed could statewide alternatives be considered. Careful strategies to address "marketing" of these coordinators by providers should be developed.

Deciding When Children's Placement Should Change

For the sake of permanency, when a move is considered, these questions should be asked:

- If a child cannot be exited to a less restrictive, permanent placement, should a move occur?
- Is the child going home after placement ends? If not, why move and disrupt?
- More time in a particular placement may not be undesirable, if it can be the last placement.

Inventory placement slots available

5

Create a mechanism to maintain an inventory of the number and type of available "beds"

There is no mechanism to record and report vacancies in facilities. Information concerning the placement options currently available should be developed, maintained and be accessible by the staff responsible for placement decisions. This would expedite the selection process by eliminating futile inquiries and submission of packets of information to facilities operating at capacity. The mechanism to maintain an inventory of available "beds" could be as simple as having a provider call in or fax in a summary of how many beds are filled, how many are empty and what type of child would be appropriate for referral to the facility.

Document Unmet need to guide resource development

6

Create an Authority and Process to Manage Development of Placement Alternatives

Documentation of the unmet need and resources needed and not available should be given greater priority. Placement alternatives and facilities should be developed or expanded where they are needed and be of a variety that is needed. Applications to license any program or facility should require the applicant to show evidence of or demonstrate a need for the program or services in that geographic region, to improve the geographic distribution of services/facilities.

A process should be developed to grant a state agency with the authority or responsibility to guide or restrict the development of alternatives or capacity of facilities or the location of placement resources. The process would be triggered if an agency wants to start a new program, increase capacity in an existing program, or otherwise expand the continuum of care of the facility or agency. A prerequisite to the licensing and establishment or expansion of state or private residential facilities should be submission of a Certificate of Resources. The state agency responsible for authorizing program development would evaluate and determine the availability of necessary resources in the proposed locality, the prudence of the location, and the impact on the community.

The type of additional placement options discussed include:

- for "new" children entering the system;
- for children who have "long-term" residential needs;
- short-term or transitional placement options (emergency shelters);
- crisis stabilization services for intervention to avoid disruption of other placements (This type of service needs to be defined and standards created);
- foster homes to reduce the likelihood of placement out of home county;
- therapeutic foster care placements;
- "extra" capacity in placement options, to be prepared for serving children as the need arises. (Similar to a hotel which has "rooms available");
- foster homes for children with emotional disabilities and older children, particularly teenagers.

Choose the Best Place First

7

The cabinet should adopt a philosophy of accessing the “Best Place First” for each child.

ASSESSMENT: What Does the Child Need?

Placement decisions should be based on an assessment of each child. An in-depth assessment of each child's needs should occur ideally prior to placement or while in the initial placement, whether it is foster care or a facility. Each assessment should be individualized, with a look at the family, child, siblings, foster home or facility staff.

- Evaluate Information and Past Performance
- Assess Strengths & Weaknesses
- Prioritize Needs
- Set Goals
- Set Objectives
- Determine the services needed to make appropriate progress on objectives
- Select placement in which services can be delivered, which is close to home in the least restrictive environment
- Develop "progress assessment" tools to determine the degree of improvement in the child's circumstances. Select appropriate and useful performance indicators to track progress of children. Are they safe? Nurtured? Healthy? Getting education?

Expand Scope of Children's Review Program

The accurate, independent assessment of need offered by a “levels of care” model can assist in determining the services needed by individual children and to document the type of service components needed throughout the state. Children in therapeutic foster care, emergency shelter, and detention should be covered under the assessment responsibilities of the Children's Review Program operating the levels of care program, to ensure accurate independent assessment of their needs.

SELECTION: Based on the Child's Needs, Which Placement Is Best?

Current payment systems are designed to reimburse foster homes or facilities for the level of need of the child, rather than purchase quality services from a home or facility capable of meeting the child's needs. Expectations for the foster home or facility should increase as the complexity of the child's needs increases. Leveling children but not facilities raises the question of whether payment rates are assigned according to the child's needs, rather than the foster home or facility's capacity to address the child's needs. Providers should be required to document or demonstrate the ability to provide the services appropriate for children assigned a higher level of care. This could be accomplished through staff training, agency accreditation, or exceeding minimum licensure requirements.

Give provider complete information

8

Accurately Inform Service Providers or Caregivers of Children's Needs

"Dumping" children on unprepared, ill-informed foster homes, facilities, schools, or parents, is not fair to them or to the child. Greater expectations should be developed for accurately informing the appropriate service providers or caregivers, with greater emphasis on meeting the requirements of departmental policy manual requirements.

Share treatment records in a timely manner

9 Create a treatment passport

If a child must experience a change in placement, documentation of efforts, treatment, progress at current placement should be provided to the new or next placement. Treatment records should routinely follow the child to each placement and, following discharge, to the next placement option.

Share education records in a timely manner

10 Mandate Use of Educational Passport

The transfer of school records needs to work more efficiently when children are moved. Consider mandating use of an Educational Passport. An educational passport shall accompany any student who is transferring from one school to another as a result of a change in residential placement. The passport is a form that is completed by the school or facility a student is leaving. Its purpose is to provide the receiving school or facility with basic demographic and academic information about the student, as well as records that are available regarding the student. The passport is submitted when the student is presented for enrollment, avoiding the problem of a school or facility enrolling a student without any knowledge of the student's specific educational needs or background. The passport will be carried by the agency or person presenting the student and not by the student.

Mandate Release of School Records to DSS Staff upon Transfer

Consider mandating DSS staff to seek a court order at time of commitment which would authorize the release of school records to the receiving school in the event of a change in residence that results in a change in the school attended.

Prevent Disruption

11 Provide Services to Prevent the Disruption of a Placement

After a child is placed in a foster home or facility, behaviors may surface that the social worker may not have been aware of prior to placement. Some placements occur after the child is removed for safety reasons, and the worker's knowledge of the family and child may be limited. The degree and intensity of behavior problems may not have been known. Appropriate supports provided to the foster parent or facility could alleviate the need for a change in placement or prevent a move to a more restrictive setting. The availability of appropriate intervention or de-escalation services could reduce the number of moves for children and therefore reduce the damage caused by multiple placements.

Services to prevent the disruption of a placement include crisis stabilization, respite services, and day treatment. The High Risk Program for DSS Foster Families, for example, provides an opportunity for the foster parent to sit down with all of the people who are involved with a child and develop innovative services, in a team effort, with respect for each partner.

Support Foster Parents to Maintain Placements

Create incentives for facilities and foster parents to keep children rather than eject those who act out.

Develop a Foster Allegation Support Team (FAST) to provide support and information to foster parents accused of abuse or neglect. This is not an advocacy role or a representative for the foster parent, but serves to assist in communication during the process.

Foster parents and facility staff should be invited and encouraged to participate in case conferences for children in their care. Planning for services upon exit should include current/previous providers or sources of information.

Respond to multiple placements

12 Create a mechanism to flag the file of children who experience many moves

There needs to be some mechanism to flag the file of a child who is experiencing multiple moves, reaches a certain threshold in the restrictiveness of placements, or is in care for a certain length of time. These circumstances should generate or trigger some further action by the administrative agency, the court, or an advocate. A situation meeting certain parameters could be brought to the attention of a specialist who could design an appropriate response by revising the existing treatment plan. Intensive services could be focused on the child, with the goal of stabilizing the living arrangement. Staff responsible for making placement decisions should receive specific training on how children move in and out of placements (particularly foster care) and what can be done to end this cycle.

Periodic Review of Each Child's Circumstances

Part of the periodic review of each child's circumstances, either in court and by local citizen foster care review boards, includes determination of whether the child is in the appropriate type of placement that is adequate to address the child's treatment needs, considering developmental age, mental health, physical health, and educational requirements.

Establish Reporting Requirements for State Foster Care Review Board

Foster Care Review Board information should be published in some way, to serve as a quality assurance measurement of the progress made in achieving permanency for children. Establish reporting requirements for State Foster Care Review Board.

- Are needs of children being met?
- How often are children moved?
- How long are children in care?
- How many children are being reviewed?
- Does sibling visitation occur?

Statewide Planning and Coordination

13 Develop Strategic Plan, Set Goals, Create Procedures for Successfully Working Together

To achieve these goals, the state must improve coordination and planning among the agencies responsible for placing children, regulating placement entities, or otherwise expected to provide services to the children in placement and their families. DSS should invite the appropriate entities to participate in the development of a strategic plan to address the concerns of children in placement and to create a process whereby these agencies work successfully together to achieve goals. This process should include at least the Cabinet for Health Services (Departments for Public Health, Medicaid, and Mental Health and Mental Retardation Services), Cabinet for Families and Children (Departments for Social Services and Social Insurance), Department for Juvenile Justice, and Department of Education. Representation of other entities, such as judges, advocates, private child care providers, and parents, should also be considered.

Provide adequate staff

14 Increase Number of DSS Social Workers

DSS staff need lower caseloads and there should be additional workers to ensure children receive the necessary, timely attention of a trained professional caseworker.

Create a Credible Information Source

15

Create a unified Management Information System and data management system

Management Information Systems and data management systems are needed to allow information to follow a child from entry into the system to release and to record what the system does to the child. Are goals being accomplished? Are we getting the outcomes that are needed? Credible information would provide a foundation upon which to base future policy and programmatic decisions.

A unified database on children is critical to understanding the interventions necessary to address needs. The data system should "go with child" throughout the system. (Linking Administrative Office of the Courts, Department for Juvenile Justice, Department of Corrections (re Detention), Department of Education, Department for Social Services, Children's Review Program)

Staff must document and be able to retrieve and distinguish information concerning the re-entry of children into out-of-home care despite a "new" commitment category assignment, or placement, or moves into a different facility or program.

Report Credible Information

16

Develop Outcome Measures to Be Reported

Establish monthly and annual reporting requirements for DSS and DJJ regarding children in placement.

Sample outcome measures:

- # of placements per child
- reasons for disruptions
- time from removal to permanency
- length of time in placements
- reabuse or reoffense rates
- fatality rates
- injury and hospitalization rates
- health care provision rates
- educational achievement rates
- multiple placement rate
- sibling placement rate
- ethnicity matching rate
- family maintenance/preservation rate
- adoption disruption rate

How long do children stay in care? Where do they go next? Is progress sustained? Do they reenter care?

Outcome measures for facilities should be identified with care taken to measure outcomes for which the facility should bear responsibility, as opposed to outcomes within the control of DSS or DJJ.

Ending Commitment

17 Create a statutory mechanism to end the commitment of a child.

The December 4, 1996 data from DSS revealed that 2,200 children in legal custody were over the age of 18. (Are these still on caseload tally?) There should be an automatic end to the commitment when the child reaches the age of 18, unless prior court action is taken.

Some clarification is needed as to what circumstances are appropriate to extend the commitment of a child beyond 18 years of age up to 21 years of age. Current law anticipates the child may voluntarily extend commitment for educational purposes. (How many children are currently under extended commitment? For what reasons? How many of these children are youthful offenders? May the commitment of sex offenders be extended beyond 18 in order to complete two years' treatment?)

Distinguish maltreatment from needing treatment

18 Amend Statutes to Separate the Category of Dependency into Two Categories

It is not known how many of the children committed Dependent are in custody because the parents of the child sought commitment to access funding for treatment services. There should be some means to distinguish between these quasi-voluntary arrangements and dependency resulting from neglect or abuse. The category for dependent commitments should be separated into:

- abused, neglected, maltreated, or otherwise under inadequate care or supervision; and
- children with complex treatment needs in need of services, or a funding source (with no maltreatment issues).

In a closer look at twenty children submitted to the Children's Review Program to be assigned a level who were committed dependent and yet had no history of abuse and neglect, it was found that:

- six were severely mentally retarded;
- two had organic or medical impairments or were medically fragile;
- three had serious substance abuse problems;
- three had severe mental illness and needed long term care;
- five disrupted foster care or other placement;
- one was held for another state.

There were 155 children committed "dependent" submitted to CRP who had a history of neglect or abandonment only. In looking at twenty of these randomly selected cases, it was found that:

- two were mentally retarded
- three were substance abusers
- two required long-term psychiatric care
- eleven had parents who were substance abusers
- two were noted as disrupting foster care

Train teachers

19 Require Training for Teachers on How to Deal With Children Who Are At-Risk

The curriculum for public school teachers needs to include education and training on how to deal with children who are at-risk, have been abused and neglected, are in an out-of-home placement, or have severe emotional disabilities.

Expand education funding for state agency children

20 Expand the Type of Facilities Included in KECSAC

The reimbursement system under KECSAC should be revised to include therapeutic foster care, emergency shelter care, and detention.

Tie KECSAC Funding to SEEK

KECSAC dollars should be tied to SEEK, so that school districts get automatic incremental funding increases when the number of children increases.

Create an Excess Cost Category

The 1998 General Assembly should appropriate an additional \$2.2 million to cover the excess cost of some KECSAC students (around 15/20 percent currently). These funds would create an excess cost category for school districts to count KECSAC students for excess dollars when documentation exists (based on a set formula for calculation) that the student's cost is 20 percent or more above all state and federal funds received for the child.

Revise Licensing Regulations for Facilities

21

Statutorily Mandate Expectations for Reform of Facility Licensure Requirements

Regulations and standards for licensure should establish a basic level of safety and quality. Non-compliance should mean revocation of license. Other quality issues should be "purchase" issues DSS controls in contracts and placement. The purpose of licensure standards is to ensure the protection of residents and a license is permission to operate. Kentucky licensure regulations should be revised to reflect this premise.

The regulations should be revised to establish a minimum basic safety module for all facilities with varying standards dependent upon capacity. Additional program modules could be "stacked" to create the licensure expectations specific to the type of facility planned. For example, a separate module could be established for secure programs with a more restricted environment.

Determine whether the licensing and regulation function is placed correctly administratively. Should a different entity be assigned responsibility? Some states, such as Arkansas and Texas, have created a governing licensure board. If not, clarification is needed regarding the responsibilities of L&R and DSS and the authority and relationship of these agencies to providers or contractors.

Licensure requirements should include these stipulations:

- All placement entities shall direct their treatment programs toward the following specific outcomes: child safety; improved child functioning; improved family functioning; and family continuity and permanence;
- Placement entities shall have or contract for sufficient qualified staff to meet treatment needs of children in their care, including psychological and psychiatric services;
- Each placement entity shall provide an integrated treatment program which meets the health, mental health, education, safety and security needs of children, culminating in a unified service and treatment plan with specific outcomes;
- All placement entities shall routinely involve parents, family members, and caregivers in the treatment process;
- All placement entities shall have quality improvement and staff development and training functions, to continuously improve the treatment provided to children in care;
- All providers shall develop quality programs to address the substance abuse treatment needs of children in their care;
- All providers shall initiate discharge planning at admission and arrange for sufficient aftercare services;

Revise Licensing Regulations for Facilities (Continued)

21

contd

- Prior to program location or expansion, plans should be disclosed to communities and schools to enhance the future success of the program;
- All programs should include or increase the availability of aftercare as a vital program component;
- Some indication of the declared "mission" for facilities should be offered; The target client should be identified, to assist in documenting the array of services available;
- Independent living should require a child placing license instead of child caring;
- Accreditation by JACHO or Council on Accreditation could be required, in order to serve children with the highest need (level 5); and
- All staff must undergo a preemployment criminal record check (prohibit hiring people with convictions of certain crimes); the child abuse registry should be checked; as should the domestic violence history file in LINK.

Model standards should be developed for regulatory issues within the jurisdiction of local health departments, fire marshals, and building and zoning officials.

State-Operated and State-Contracted Facilities Should Be Licensed

The regulatory requirements for operation of facilities should be applied to state-operated and state-contracted facilities in the same manner as for private facilities.

Provide Due Process for Providers

22

Create Statutory Requirement for Due Process

Currently unless there is a resulting suspension of the license or denial of the license being renewed, there is no formal due process safeguard for the licensed agencies to challenge a deficiency. There is no due process procedure offered if there is a disagreement over the corrective plan of action. Kentucky statutes should require due process procedures for regulated facilities and programs. Suggested steps:

- The Division of Licensing and Regulation (L&R) interprets the rules, determines negative action or adverse determination shall be taken (deficiency, revocation, denial, suspension, provisional license);
- Provider objects or interprets differently;
- L&R attempts to resolve at local level, then at next supervisory level, then district level, etc.;
- If not resolved within division, then a fair hearing within the department with Administrative Law Judge;
- If no resolution, court appeal.

Offer Regulatory Waivers for Providers

23 Allow Limited Authority for Regulatory Waivers

Kentucky statutes should allow some limited, controlled flexibility in the application of licensure regulations. They should allow waivers from certain provisions when the rule is met in an alternate way that meets the spirit of the rule. (Michigan allows waiver if there is "substantial compliance".) Some flexibility could encourage creative, new types of placement options that are not anticipated by existing regulations.

Programmatic Flexibility could be granted if a rule does not fit well:

- fulfill spirit of rule in a manner that is as good as the rule;
- renewable, but effective only for period remaining on existing license;
- with reapplication required for each period;
- if provider does not comply with waiver, revert to rule as written.

Interpret and Apply Licensure Regulations In a Consistent Manner

24 Develop Measurable Outcomes for the Licensing Authority

The training and expertise of licensure staff is critical to proper regulation of the facilities. There are currently twelve L&R surveyors for 100 child caring and placing agencies. The licensing authority must strive for consistency in the application of regulations.

Measurable outcomes should be developed for the licensing authority:

- Is regulation written appropriately?
- Is interpretation appropriate and consistent throughout the state and among facilities?
- Is surveyor exceeding authority to interpret the regulations?

Use Adoption and Permanent Foster Care to Achieve Permanency

25

Remove Barriers to Adoption

There should be greater emphasis on more quickly finding loving adoptive homes. Too many "adoptable" children grow up in foster care. There is significant damage to children when there is a lack of permanence in their life. According to a special needs adoption specialist, the best predictor of adoption disruptions is the number of placements the child has experienced.

Subsidize Adopted Children up to Age 21

Create enabling legislation to permit the continuation of an adoption subsidy up to the age of 21 years for a child with special needs. Such legislative language should parallel the language that exists in current law that permits the continuation of a child's commitment beyond the age of 18 years.

Require DSS to Track Short-Term and Long-Term Foster Care

Short-term or temporary foster care and long-term or permanent foster care should be considered two separate objectives or placement options. This could enhance the ability to document a decision to extend time in out-of-home care beyond a certain period of time, and could trigger different, additional safeguards and planning for permanency.

Consider Long-Term Foster Care As Permanency Option

Long-term foster care should be considered an acceptable permanent outcome for some children for whom termination of parental rights and adoption is not a realistic goal.

Other Permanency Options Should Be Explored

Explore and evaluate the use of subsidized guardianship or increased use of permanent substitute care agreements for children, when it is age and situation appropriate, as long as sufficient safeguards can be implemented.

Achieve Permanency As Soon As Possible

26 Secure Permanent Solution Within Reasonable Timeframe

With reunification as the goal of every case, the social worker is working to reunite the child with the parents. If that truly is in the best interest of the child, then continue those efforts. But if that outcome is not in the best interest of the child, another permanent living arrangement for the child must be found, to provide the child with a good, safe, healthy, happy environment. The cabinet must change its philosophy and social workers' practical application of that philosophy to achieve a permanent solution within a reasonable amount of time.

Periodic Judicial Dispositional Review If Permanency Has Not Been Achieved

Permanency goals should be established for each child within 182 days or six months of the time the child entered care. If reunification is not an acceptable or workable solution, other permanent solutions should become the goal of the caseworker. A thorough, judicial dispositional review of the cases of committed children should occur every 182 days or 6 months if permanency has not been achieved. All parties to the original case (Guardians ad litem, DSS staff, CASAs, attorneys for parents) should be present and reporting to the court.

“Birth parents get more chances than the child's development can stand.”

Expand Payment Sources for Lower Levels of Care/Control Access to Costly Services

☐ **Parents Should Not Have to Relinquish Custody to Secure Funding for Treatment**

27

In situations where parents are confronted with inadequate resources or insurance coverage to continue paying for therapeutic services for children placed in a psychiatric hospital, someone will advise the parent to file a petition against the child as a status offender beyond parental control, or a dependent child. The child is then committed by the court and DSS pays for the treatment.

Parents cannot always access the treatment needed by the child without committing the child to the custody of the state. Increasing access and payment sources for lower levels of treatment may prevent the need for parents to relinquish custody and for DSS to assume responsibility for paying for treatment.

Access to a funding source for psychiatric hospital services often results in a child receiving services at a residential level higher than actually needed. Payment sources are needed to allow less restrictive and less expensive resources to be accessed before more costly restrictive services are selected.

Support The Implementation of IMPACT Plus

The Departments for Medicaid Services, Mental Health and Mental Retardation Services, and Social Services are implementing IMPACT Plus, which is a funding stream, whereby Medicaid dollars will be shifted from inpatient care to the creation of individualized, community based services for children. IMPACT Plus funds will adhere to the IMPACT model, which incorporates (1) a collaborative, interagency decision-making process; (2) the full involvement of parents as partners; and (3) the flexible use of dollars in accordance with the individual needs of the child.

Support Full Utilization of EPSDT Special Services Funds for Community Based Care

Medicaid funding under the Special Services part of the Early, Periodic, Screening, Diagnosis and Treatment (EPSDT) program should be available for reimbursement for services provided in a community based, non-residential setting.

Other options include:

- Require authorization from some entity prior to authorizing payment from public funds for psychiatric hospital placement. (Similar to managed care concept of prior approval.)
- For children accessing services in out-of-state facilities whose treatment is funded by state funds, there should be a professional determination that residential as well as non-residential services needed by and appropriate for the child are not available in Kentucky. The state agencies should document what service was needed by the child and was not available due to lack of beds or area of special need. This information should be used to spur the development of the needed services by Kentucky providers.
- The counseling provided to children in placement is too often inadequate.
- Waiting lists are long and level of intensity is varied in community based settings.
- The continuum of services provided on an out-patient basis should extend up to the level of services offered in an in-patient setting.
- Diagnostic services should be routinely available in detention and in emergency shelters, to facilitate the placement and treatment process.

☐ Expedite Termination of Parental Rights

28 **Support Proposed Legislation to Expedite Termination of Parental Rights (TPR)**

Develop mediation services to accomplish voluntary TPR agreements.

Hire Additional Attorneys to Assist in TPR Cases

Additional attorneys are needed to work on TPR cases. The same guardian ad litem appointed to represent the child in the district court dependency action should be re-appointed in any circuit court action to terminate parental rights.

Foster Care

- 29
1. **Reimbursement rates paid to foster parents should be adjusted to more closely reflect the cost involved in caring for foster children.** This recommendation involves three components: the basic rate paid to all foster parents, a supplemental rate paid to foster parents who obtain additional training, or who have served as foster parents on a long-term basis, and supplemental payments for foster parents providing care to foster children with exceptional or special needs.
 - a. **The Basic Rate** - The basic rate paid to all foster parents should be increased to 100% of USDA costs, minus medical expenses. In conjunction with an increase in basic rates, most of the "add-on" reimbursables that exist in the current system should be eliminated. Additional reimbursables should be retained for initial clothing allowance, if necessary, day care, respite care, graduation expenses and medical care.
 - b. **Additional reimbursement for training, length of service and superior performance** - Foster parents who obtain additional training should be recognized for their efforts through increased reimbursement. Foster parents should also receive length-of-service incentives, as well as recognition for superior performance.
 - c. **Recognition of additional costs for exceptional children** - The existing system for reimbursing foster parents who care for special needs children should be revised so that all such foster parents receive reimbursement for the extra services provided.
 2. **Reimbursement rates should be increased as the costs of caring for children increase** - Reimbursement rates paid to foster parents should be reviewed and revised on a biennial basis, to ensure that payments remain at 100% of the USDA recommendations.
 3. **Policies and procedures regarding foster care reimbursement should be uniform across the state** - Policy interpretations and communications of such interpretations should be uniform and consistent across the state. Such interpretations should be clearly and concisely communicated to all foster parents through a standard document.
 4. **The current levels system should be expanded and revised to include all children in out-of-home care who are the legal responsibility of the Cabinet for Families and Children** - Under our existing system, children who are placed with private childcaring agencies are "leveled" - that is, the care needs of the child are determined prior to placement, and reviewed on a regular basis so that appropriate reimbursement levels can be established. Children who are not placed with private agencies are not assessed in such a manner. If all children were assessed prior to placement, additional appropriate services could be provided to the child and to the child's foster parents earlier, which could help prevent more intensive and costly placements for the child in the future.

Foster Care (Continued)

29

5. **All foster parents caring for children of comparable difficulty should receive comparable payment, regardless of where they live, or whether they are paid by the state or a private child-caring agency.** Under our current system, it is difficult to compare rates paid to foster parents under the state system and the private system, because the systems are so different. For example, most state foster parents receive a lower base rate, but may be reimbursed for "add-ons," while in the private system, foster parents may receive a higher base rate with fewer add-ons.
6. **Innovative pilot projects should be encouraged by both the state and private child caring agencies to offer alternative delivery systems and creative programs that may differ from the traditional systems in both funding mechanisms and service delivery.**
7. **The biennial budget request prepared by the Cabinet for Families and Children should include requests for funding to implement all final recommendations of the Subcommittee on the Cost and Reimbursement of Foster Care of the Task Force on Children in Placement.**

Other Comments:

- Foster parents should be guaranteed participation in the state health insurance plan.
- More training opportunities should be made available to foster parents, to help them learn how to better help the children in their care.
- A mentoring program matching new foster parents with experienced foster parents should be established.

Areas for further study

30

Direct the Appropriate Agency to Conduct Further Study on Issues

- Conduct a follow up Point in Time Survey of Facilities.
- Conduct a follow up DSS Foster Home Survey.
- Examine the outcomes for children after a termination of parental rights decision has been made by the court. How many of these children never leave state custody? How many are adopted?
- Develop a profile of the children who remain in custody after the age of 18 years and their needs.
- Investigate the length of stay and length of commitment for children in custody.
- Analyze the reasons children enter temporary custody and determine the length of time children remain under these orders.
- Explore the circumstances of children who enter care under voluntary commitment and the length of time children remain under these orders.
- Examine the use of permanent substitute care agreements to attain permanency for children.
- Analyze data concerning adoption disruption.
- A "longitudinal" study is needed to understand how children progress through the system of dependency, status offenses, and public offenses. Is there a predictable "graduation" from low level of involvement with the system to a higher level?

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APPENDIX A

1966 Senate Concurrent Resolution 107



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

REGULAR SESSION 1996

SENATE CONCURRENT RESOLUTION NO. 107

TUESDAY, MARCH 12, 1996

The following concurrent resolution was reported to the House from the Senate and ordered to be printed.

A CONCURRENT RESOLUTION to direct the Legislative Research Commission to create the Task Force on Children in Placement.

WHEREAS, the physical, emotional, and educational needs of children in residential placement are increasingly complex and may involve a combination of issues such as family violence, physical and sexual abuse, severe neglect, substance abuse, criminal behavior, developmental delays, emotional disabilities, behavior disorders, and learning difficulties; and

WHEREAS, providing the appropriate level of care, treatment, and services to address these significant needs is not only in the best interest of these children, but is also in the best interest of their families, their communities, and the Commonwealth; and

WHEREAS, there is a limited range of treatment options and resources available to adequately and fully address the needs of these children due to significant gaps in the continuum of care and restrictions on the funding sources available to pay for the type of care needed; and

WHEREAS, an uneven distribution of resources has occurred which has resulted in an ever increasing number of highly restrictive options rather than an investment in less restrictive, community-based options; and

WHEREAS, the General Assembly reaffirms that the commitment to development of community-based, least restrictive residential placement options should not waiver; and

WHEREAS, the General Assembly acknowledges that addressing treatment needs in the appropriate manner can halt the predictable and progressive movement of some children into increasingly restrictive and increasingly expensive levels of care; and

WHEREAS, parents are often faced with giving up custody of their children because the availability and affordability of the appropriate treatment alternatives is increasingly out of reach for children who are not in the custody of the state; and

WHEREAS, diversity in funding methods and categorical funding has led to confusion and fragmentation which has resulted in the availability of funding sources

dictating the level of care which is developed and utilized, and

WHEREAS, solutions currently proposed to address these concerns are inadequate and similar schemes in other states have not proven to be effective; and

WHEREAS, inadequate communication with the General Assembly regarding the implementation of these schemes limits the oversight of and accountability for these initiatives; and

WHEREAS, the General Assembly is vested with both the authority and the responsibility to address these issues and assure the initiation to address these issues, utilize resources wisely and enhance the services to citizens of the Commonwealth; and

WHEREAS, there is very little systematically collected, reliable data available concerning these children, their needs, the effectiveness of placements, and the evaluation of the success of a placement after release from the facility; and

WHEREAS, to fully understand the scope of the problem and to develop solutions, it is critical to audit the data available concerning the children and their needs, the services and their treatment goals and objectives, and the criteria for determining which children access which service; and

WHEREAS, the barrage of comments, criticism, analysis, and advice received by the General Assembly concerning these issues tend to result in less certainty as to the steps needed to be taken; and

WHEREAS, there is universal agreement on the complexity and urgency of these concerns and absolutely no consensus on the solutions or actions necessary to solve the problems; and

WHEREAS, a collaborative task force approach when led by the General Assembly can lead to a comprehensive analysis of the problem, exhaustive search for solutions, and development of recommendations for action;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of

Kentucky, the House of Representatives concurring therein:

Section 1. That the Legislative Research Commission create the Task Force on Children in Placement to conduct a comprehensive study to:

- (1) Develop a complete baseline of information concerning facilities serving children and the treatment services and programs offered in these facilities including what services are provided by each facility, the means used to verify that services are consistently and appropriately rendered, and the criteria used to measure the effectiveness of the services rendered;
- (2) Develop an in-depth profile of the children served by these programs;
- (3) Identify the mechanism for decision making regarding placement, including what influences the development of resources and the contracting for services;
- (4) Explore the inadequacies of the range of options available and identify the gaps in the continuum of care including the overreliance on and proliferation of high end, most intrusive, and most restrictive levels of care;
- (5) Review the current licensing or other authorization requirements for residential facilities caring for children and the assessment procedures for determining the level of care needed for a child and the means of assessment of the progress made by the child while in the facility;
- (6) Examine the current reimbursement rate structures and identify all sources of funding;
- (7) Identify high priority problems, needs, and areas to be addressed and make recommendations regarding improvement and clarification of statutes, administrative regulations, agency policies and procedures, and methods of assessment of and contracting for services; and
- (8) Other tasks deemed necessary by the Legislative Research Commission.

Section 2. The members of the Task Force shall include three (3) members of the Senate to be appointed by the President of the Senate and three (3) members of the House

of Representatives to be appointed by the Speaker of the House. One (1) Senator and one (1) Representative shall be selected to serve as co-chairs of the Task Force. The Legislative Research Commission shall make up to fifteen (15) citizen appointments. The citizen members shall be representative of the parents of children in need of services, the state agencies vested with the responsibility to provide services to children in placement, the administrators of the private and public facilities serving children in placement, agencies contracted to administer educational programs for children in placement, persons who have an expertise in addressing the needs of children in placement, and advocates for children.

Section 3. The Task Force shall submit an interim report to the Legislative Research Commission no later than October 1, 1996, and a final report no later than October 1, 1997.

Section 4. Staff services to be utilized in completing this study are estimated to cost \$30,000. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

APPENDIX B

Task Force and Subcommittee Members

**REPORT OF THE 1996-97
TASK FORCE ON CHILDREN IN PLACEMENT**

Legislative Members:

Senator Denny Nunnolley, Co-chair

Representative Jimmie Lee, Co-chair

Senator Tom Buford

Representative Barbara Colter

Senator Larry Saunders

Representative Eleanor Jordan

Citizen Members:

Charlie Baker

Sandra Gottschalk

Farryl Brown

Shirley Hedges

Judge Bill Clouse

Larry Michalczyk

Debbie Dezern

Debra Miller

Dr. Linda Dyer

Judge Gary Payne

Libby Fernandez

Glenn Rowe

Dr. Al Freedman

Kathy Stephens

Gerry Williams

Ex-Officio Members:

Cabinet for Families and Children: Dennis Corrigan for Secretary Viola Miller

Cabinet for Health Services: Margaret Pennington and Betty Weaver for Secretary John Morse

Department of Education: Johnny Grissom

Justice Cabinet: Commissioner Ralph Kelly for Secretary E. Daniel Cherry

Cabinet for Public Protection: Bill Stewart for Ernie Lewis, The Public Advocate

LRC Staff: Susan Warfield, Pam Lester, Vida Murray, Nyra Shields, Alice Carter, and Cindy Broaddus

**PRESENTED TO THE
LEGISLATIVE RESEARCH COMMISSION
AND THE
1998 REGULAR SESSION OF THE
KENTUCKY GENERAL ASSEMBLY**

APPENDIX C

Vision Statement

TASK FORCE ON CHILDREN IN PLACEMENT

Vision for the System Serving Children and Families

The Task Force on Children in Placement believes the citizens of the Commonwealth deserve:

- An *integrated community based system of care*/services that is ready to respond to
- *self referrals* as well as those reports which *prompt intervention to protect* children
- by offering an *accurate assessment* of the need/risk
- and offering/referral/providing *high quality programs*/services
- which are *geographically available* to the family
- and are available *without regard to funding/income barriers*
- and which are designed to achieve the *outcomes* identified in the assessment to
- *improve the situation*/condition of the child and family (health, mental health, emotional health, education) and provide the child and family with the *skills necessary to maintain* the progress
- while offering a *long-term commitment to assist in efforts to sustain* the progress achieved
- and attain *stability and permanence* for the child *as soon as possible*.
- The success/effectiveness of the programs is *measured and evaluated*
- to determine the need to *expand* or *revise* existing programs, and *create additional services*.

APPENDIX D

Task Force Point in Time Survey of Facilities: Data Collection Instrument

SENATE MEMBERS

Charles W. Berger
President Pro Tem

David K. Karem
Majority Floor Leader

Dan Kelly
Minority Floor Leader

Nick Kafoglis
Majority Caucus Chairman

Tom Buford
Minority Caucus Chairman

Fred Bradley
Majority Whip

Richard L. Roeding
Minority Whip

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Chairmen
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Director

HOUSE MEMBERS

Larry Clark
Speaker Pro Tem

Gregory D. Stumbo
Majority Floor Leader

Danny Ford
Minority Floor Leader

Jim Callahan
Majority Caucus Chairman

Stan Cave
Minority Caucus Chairman

Kenny Rapier
Majority Whip

Charlie Walton
Minority Whip

MEMORANDUM

TO: All Providers of Out-of-Home
Services to Kentucky Children

FROM: Senator Denny Nunnolley, Co-Chair
Representative Jimmie Lee, Co-Chair
Task Force on Children in Placement

DATE: December 2, 1996

SUBJECT: Point In Time Survey of Programs Serving Children in Placement

On behalf of the Task Force on Children in Placement, we request your participation in a Point-In-Time survey. The survey is intended to obtain a better understanding of the children receiving services in various placement alternatives throughout the Commonwealth.

With the enactment of Senate Concurrent Resolution 107, the 1996 General Assembly acknowledged that Kentucky's system for serving the residential placement needs of children should be examined. Creation of the Task Force on Children in Placement was proposed as a way to bring together the people who are concerned about these issues, and those responsible for addressing them. The Task Force, in a public venue, is expected to examine and evaluate the current system of care, explore alternatives intended to improve service delivery, and propose recommendations for consideration by the 1998 General Assembly.

This Task Force faces a tremendous challenge but it is not an insurmountable task. The issues confronting us are complex and reaching consensus on solutions will not be easy, but we are confident that solutions can be found. In fact, solutions must be found because the current system of making decisions about children in placement and paying for services is not acceptable.

We appreciate the many demands placed on you and your agency and have made an effort to make this survey as understandable and concise as possible consistent with obtaining useful and uniform information. Even so, we understand that there may be questions concerning how to respond in particular situations and encourage persons preparing the response to contact us should they need clarification. You may contact Susan Lewis Warfield or Alice Carter at the Legislative Research Commission, Capitol Annex Room 101, Frankfort, Kentucky 40601 or call 502-564-8100.

A Point-In-Time Survey For Providers Of Out-of-Home Care For Kentucky Children

December 15, 1996

Please note that responses must be made regarding the children in the facility on December 15, 1996.

Return completed surveys to the Legislative Research Commission no later than December 31, 1996.

Directions for survey completion: Agencies operating more than one facility should distribute copies of the survey and a return envelope to each facility. If an agency holds more than one license for a facility, (for example, group home and foster care) a separate survey form should be completed for each program.

Following the format provided on the attached form, please indicate the following:

Name of Facility:

Facility Address (include county):

Phone number:

Key contact person:

Agency Affiliation: (Does the facility function as an entity of a larger organization?)

Facility licensure category: ()

How many beds are there in the facility?

How many beds were occupied on December 15, 1996?

For each resident, answer the following questions:

1. What is the age of each resident?
2. What is the gender of each resident?
3. What is the home county of each resident? (The home county is defined as the county in which the resident's natural parents, adoptive parents, or guardian reside. When parents are divorced, this is the county of residence of the parent with legal custody. When the state is the guardian, this is the county of original commitment and case responsibility.)
4. What was the admission date of each resident?
5. Is the resident in the legal custody of the Department for Social Services? (yes or no)

5.1 If yes, is the resident under (choose one):

ECO	Emergency custody order
TRO	Temporary removal order
TCO	Temporary custody order
DEP	Dependent/Abused/Neglected Commitment
STA	Status Commitment
PUB	Public Offender Commitment
YO	Youthful Offender Commitment
SEX	Sexual Offender
VOL	Voluntary Commitment
OTHER	(please specify)

5.2 If the resident is NOT in the legal custody of DSS, who placed the child in the facility?

6. What is the payment rate received for each resident for one day's care?

7. PRTE/Psychiatric Hospital only

Is the resident certified or decertified on December 15, 1996 for Medicaid reimbursement?

If decertified, indicate date of decertification and current status of appeal.

What is the primary diagnosis of each resident?

PCC only -

Has the resident been assigned a "level"?

If yes, what is the currently assigned level?

Agency Affiliation:

Other _____

of beds occupied on December 15, 1996:

[illegible]

Agency Affiliation: _____

Total number of beds:
of beds occupied on December 15, 1996:

[illegible]

APPENDIX E

Point in Time Survey Results

Children in the Legal Custody of the State
Comparison of Children Placed in DSS District & Number of Children From the DSS District in Placement
(Reflects data from 92% of Private Child Care Providers and 100% of PRTFs, Psych Hospitals, and DJJ facilities)

	State Total Children PLACED IN Facilities (by District)	State Total Children FROM COUNTY IN Facilities	Private Child Care Facilities			Private Child Care - Foster Care			Department for Juvenile Justice Facilities			Psychiatric Residential Treatment Facilities (PRTFs)			Psychiatric Hospitals			Total Children PLACED IN Psych Hosp (by District)	Children FROM COUNTY Psych
	2001	2001	Total Children PLACED IN PCC (by District)	Total Children FROM COUNTY IN PCC	State Total Out of State	Total Children PLACED IN PCCFC (by District)	Total Children FROM COUNTY IN PCCFC	State Total Out of State	Total Children PLACED IN DJJ (by District)	Total Children FROM COUNTY IN DJJ	State Total Out of State	Total Children PLACED IN PRTF (by District)	Total Children FROM COUNTY IN PRTF	State Total Out of State	Psychiatric Hospitals			161	161
1 Purchase	69	75	27	29		3	9		32	26		7	6					0	5
2 Pennyrite	37	134	0	58		19	15		7	49		0	5					11	7
3 Green River	140	135	48	62		17	26		23	28		7	5					45	14
4 Barren River	71	91	2	26		2	7		43	38		6	7					18	13
5 Lincoln Trail	158	87	118	45		2	8		32	25		0	2					6	7
6 Jefferson	548	460	289	215		77	87		101	99		15	13					66	46
7 Northern Ky	153	254	107	137		3	51		33	49		6	6					4	11
8 Gateway/ Buffalo Tr	108	26	19	17		11	3		78	1		0	2					0	3
9 FIVCO/ Big Sandy	152	103	88	58		56	35		8	5		0	3					0	2
10 Ky River	104	27	67	9		22	10		0	1		15	5					0	2
11 Cumberland Valley	49	64	22	26		5	9		14	15		8	3					0	11
12 Lake Cumberland	187	44	29	12		95	13		50	7		13	8					0	4
13 Bluegrass	208	425	150	231		29	73		18	85		0	8					11	28
14 Salt River	16	76	0	41		11	7		5	16		0	4					0	8

Source: Task Force on Children in Placement, Pooled Time Survey of Facilities, December 15, 1996

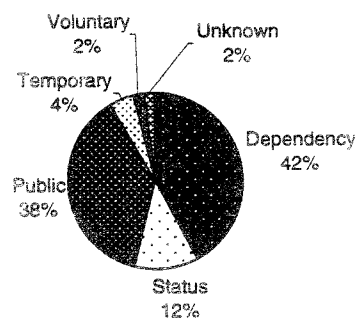
Children in the Legal Custody of the State											
Comparison of Children Placed in Counties & Number of Children From the County in Placement (Reflects data from 92% of Private Child Care Providers and 100% of PRFs, Psych Hospitals, and DJJ facilities)											
All Facilities	Children Placed in County (By County)	State Total Children From County in Facilities	Private Child Care Facilities	Total Children Placed in County in FDC	Private Child Care Foster Care	Total Children Placed in County in FDC	Days for Juvenile Justice	Total Children Placed in County in DJJ	Psych Residential Treatment Facilities	Total Children Placed in County in PRF	Psychiatric Hospitals
State Total	2001	2001	2001	966	966	966	444	444	444	77	161
Out of State	1										
Purchase	69	75		29	3	19	32	28	Purchase	7	5
Ballard		1							Ballard		
Calloway		3							Calloway		
Carlisle		1							Carlisle		
Fulton		19		14		2			Fulton		1
Graves	53	9		19	2	2			Graves		2
Hickman		5							Hickman		
Marshall		4							Marshall		
McCracken	16	34		8	1	4			McCracken		2
Pennyrile	37	134		0	19	15	7	49	Pennyrile	0	7
Caldwell		6							Caldwell		
Christian	28	63		2	10	2			Christian		3
Crittenden		5							Crittenden		
Hopkins	5	36		12	5	6			Hopkins		3
Livingston	3	2		3	3				Livingston		
Lyon		2		1					Lyon		
Muhlenberg		11		5		1			Muhlenberg		
Todd		7		7		2			Todd		
Trigg	1	6		1	1	2			Trigg		1
Green River	140	135		40	17	26	23	28	Green River	7	14
Davies	103	75		24	4	10			Davies		9
Hancock		5							Hancock		
Henderson	19	26		16	2	3			Henderson		2
McLean		4		2	9	2			McLean		
Ohio	9	11		4	2				Ohio		1
Union	2	7		3	2	1			Union		2
Webster	5	5		8					Webster		
Barren River	71	91		2	2	2	43	39	Barren River	6	13
Allen		7		3					Allen		1
Barren	14	5							Barren		
Butler	30	1							Butler		
Edmonson		1							Edmonson		
Hart		5							Hart		
Logan	2	7		2	2				Logan		1
Madison		1							Madison		
Meigs		4							Meigs		
Monroe		6							Monroe		
Simpson		4							Simpson		
Warren	25	54		2	4	5			Warren		10
Lincoln Trail	158	87		118	2	8	32	25	Lincoln Trail	0	7
Breckinridge		8							Breckinridge		
Grayson		5		7		2			Grayson		
Hardin	156	36		118					Hardin		5
Larue		3							Larue		
Marion		7				1			Marion		1
Meade		19				3			Meade		
Nelson	2	13			2	2			Nelson		1
Washington		13							Washington		
Jefferson	848	460		289	77	87	101	56	Jefferson	15	46

Source: 1st Triennial Survey of Children in Placement From In-Town Survey of Facilities, December 15, 1995.

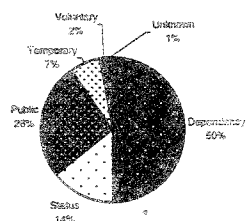
Children in the Legal Custody of the State											
Comparison of Children Placed in DSS District & Number of Children From the DSS District in Placement (Reflects data from 92% of Private Child Care Providers and 100% of PRTFs, Psych Hospitals, and DJJ facilities)											
Statewide total		Private Child Care Facilities		Private Child Care Foster Care		Department for Juvenile Justice Facilities		Psychiatric Residential Treatment Facilities (PRTFs)		Psychiatric Hospitals	
		State	2001	State	353	State	444	State	77	State	161
Dependency	845	42%	484	50%	256	73%		52	68%	53	33%
Status	236	12%	139	14%	36	10%		12	16%	49	30%
Public (Sex Offender) (Youthful Off.)	753 (15) (58)	38%	250 (7)	26%	16 (1)	5%	444 (6) (58)	9 (1)	12%	34	21%
Temporary	89	4%	67	7%	20	6%		1	1%	1	1%
Voluntary	40	2%	18	2%	8	2%		3	4%	11	7%
Unknown	38	2%	8	1%	17	5%				13	8%

Source: Task Force on Children in Placement, Post-In-Time Survey of Facilities, December 15, 1996

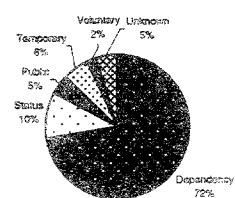
Type of Legal Custody for Children in Point in Time Survey of Facilities - Statewide Totals



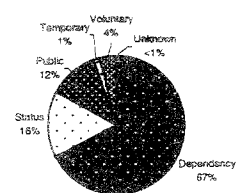
Private Child Care Facilities



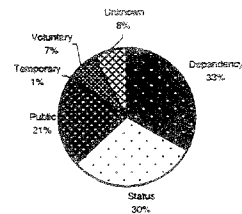
PCC/Foster Care



PRIFs



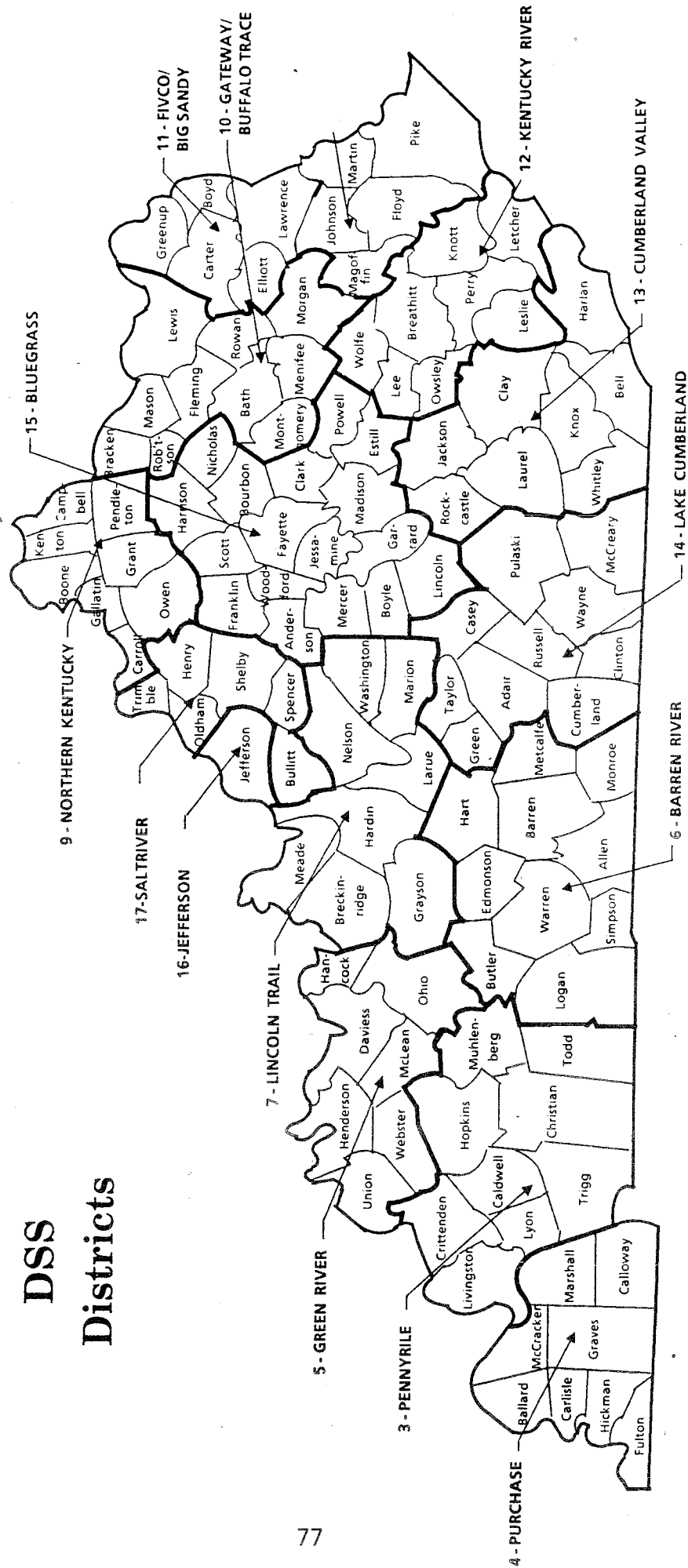
Psychiatric Hospitals



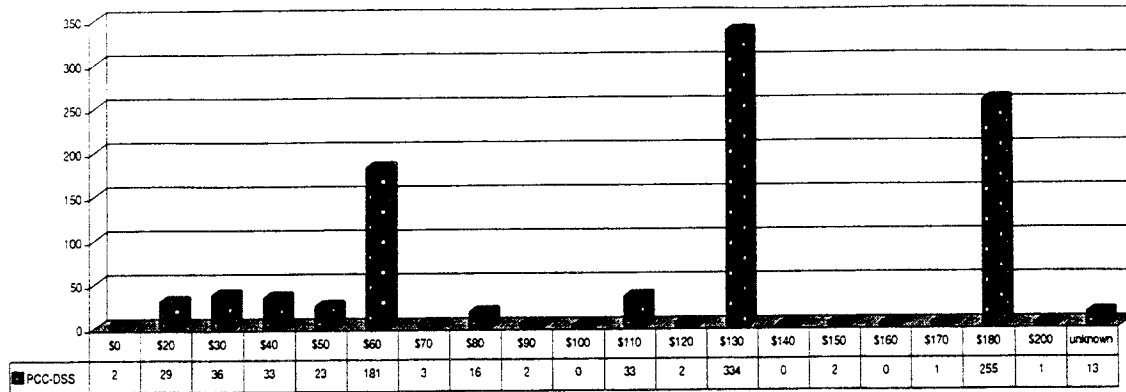
KENTUCKY

DSS

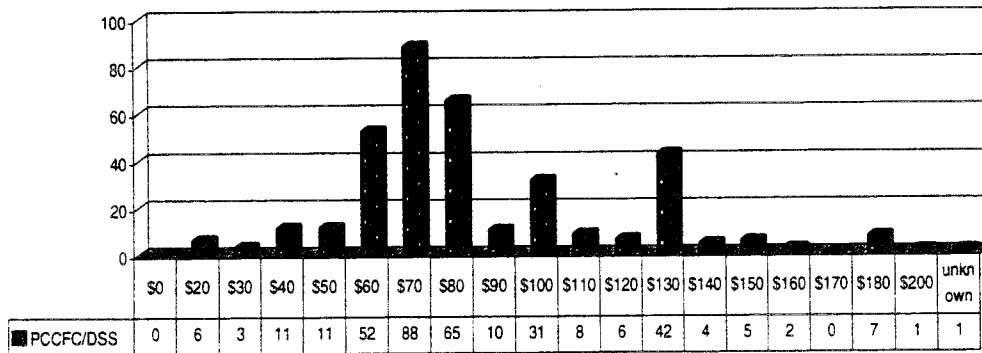
Districts



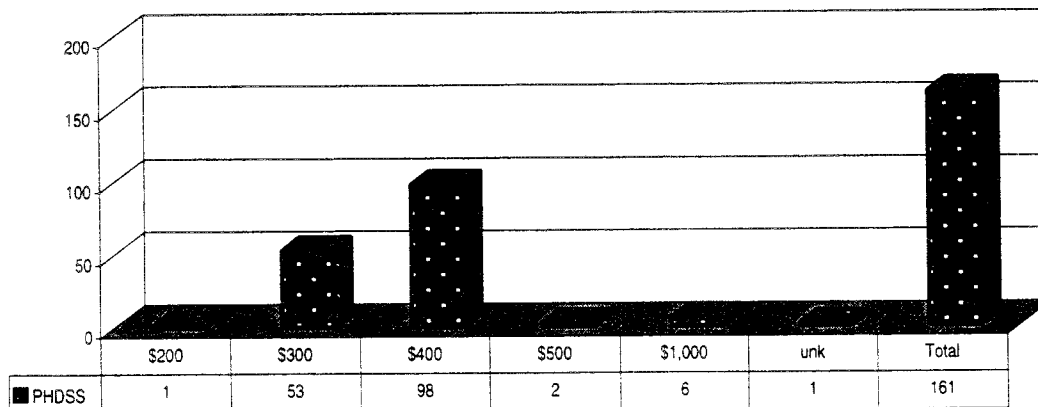
Daily Reimbursement Rates for Children in Legal Custody
Placed in Private Child Care Facilities



Daily Reimbursement Rates for Children in Legal Custody
Placed in Private Child Care-Foster Care



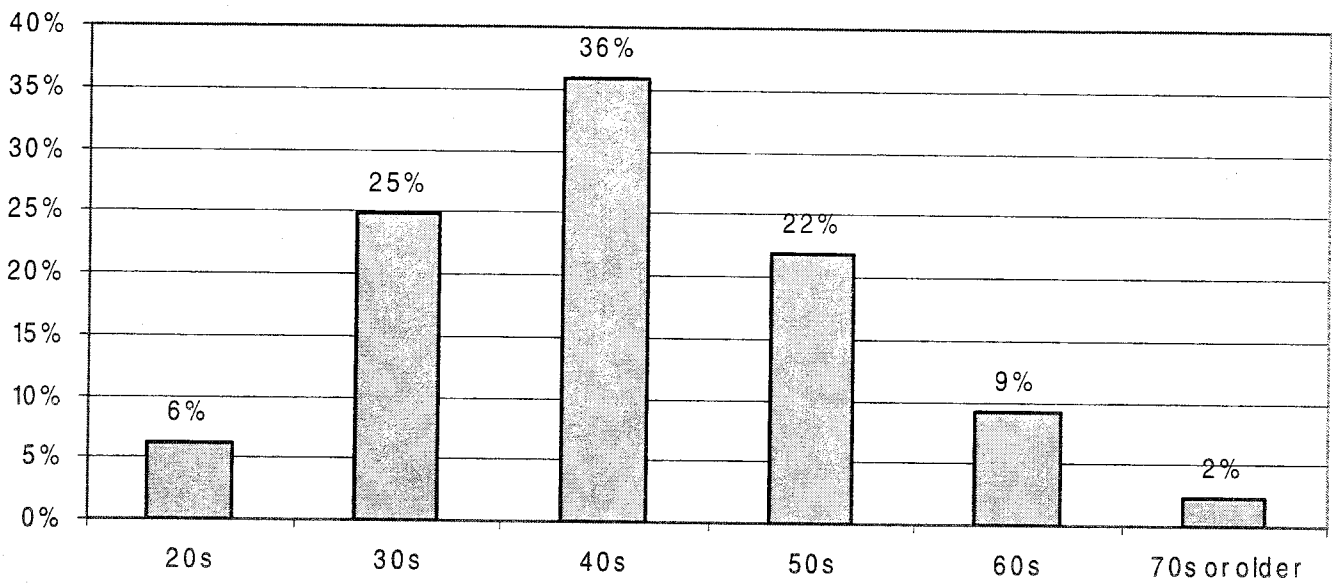
Daily Reimbursement Rates for Children in Legal Custody Placed in Psychiatric Hospitals



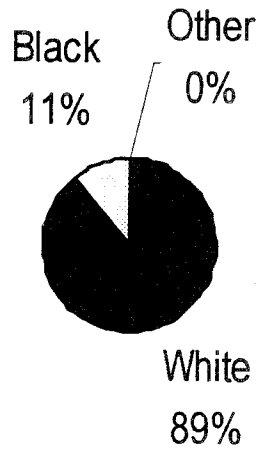
APPENDIX F

Department for Social Services Survey of Family Foster Homes: Results

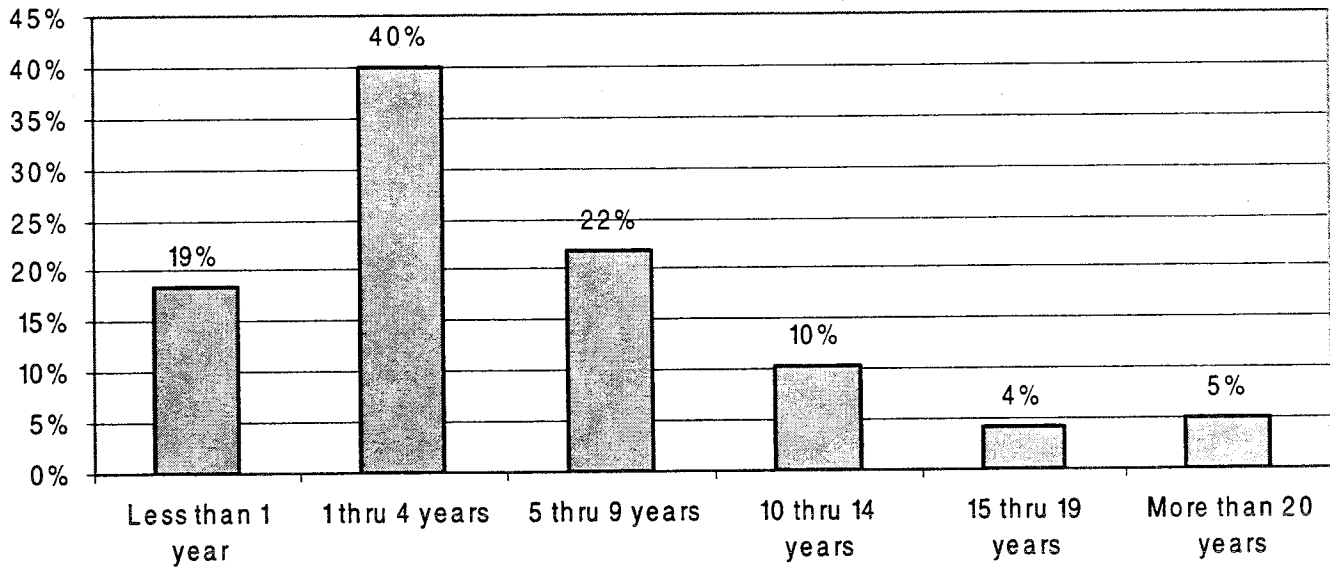
DSS Family Foster Parents by Age



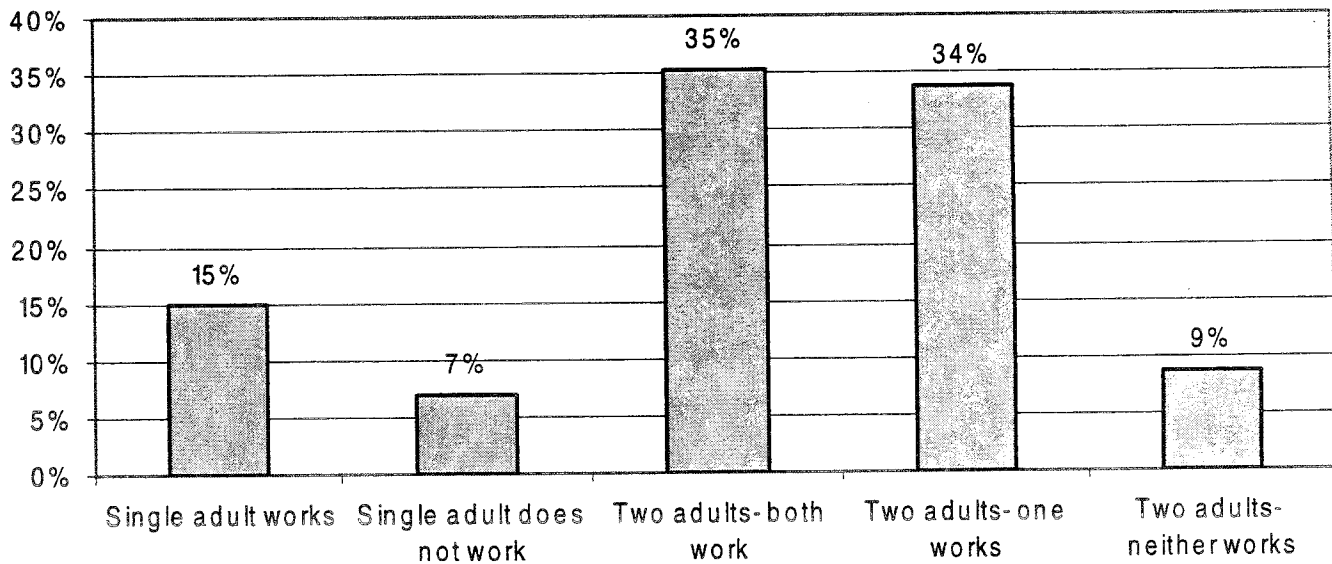
DSS Family Foster Parents by Race



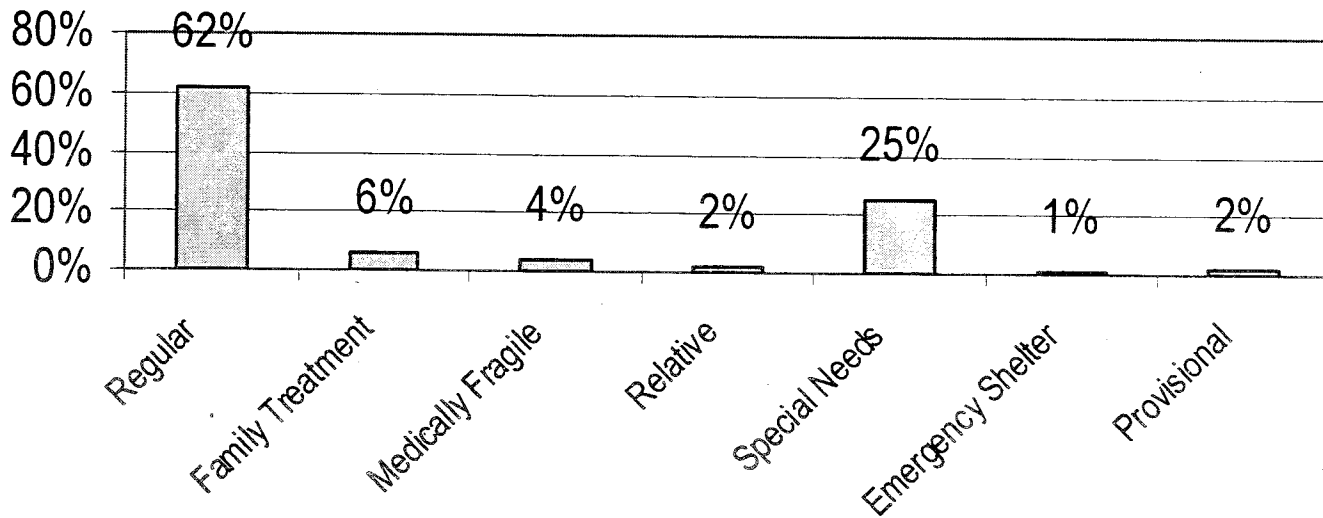
Length of Service by DSS Family Foster Homes



Work Status for DSS Family Foster Homes



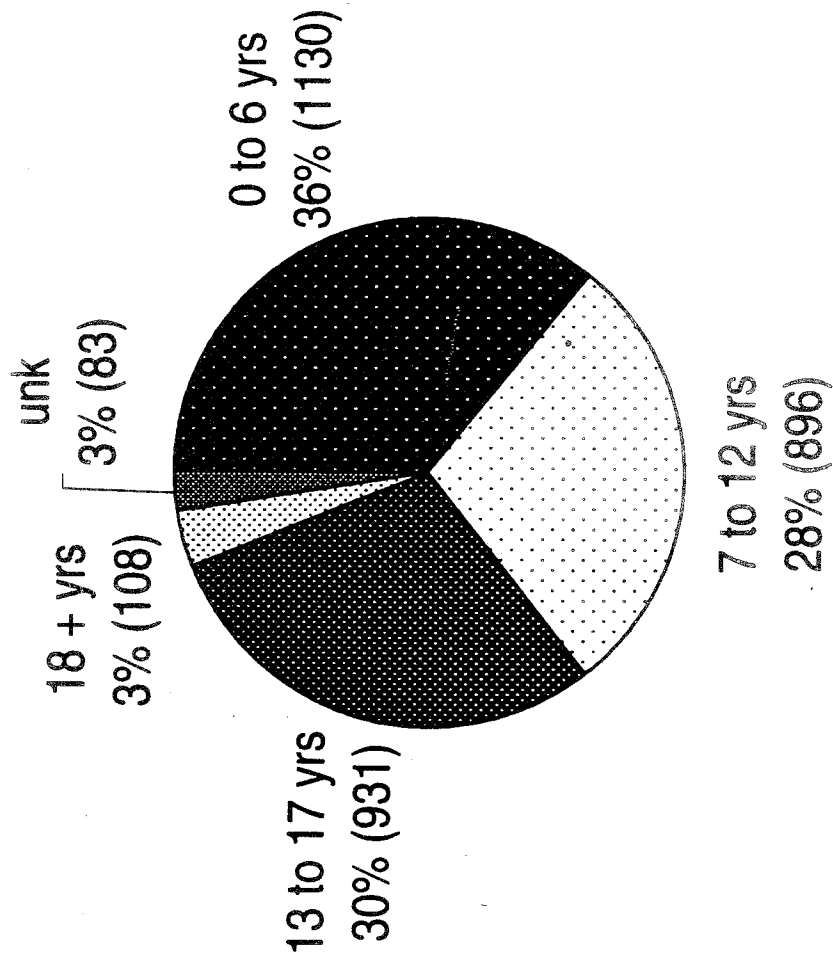
DSS Foster Homes by Type



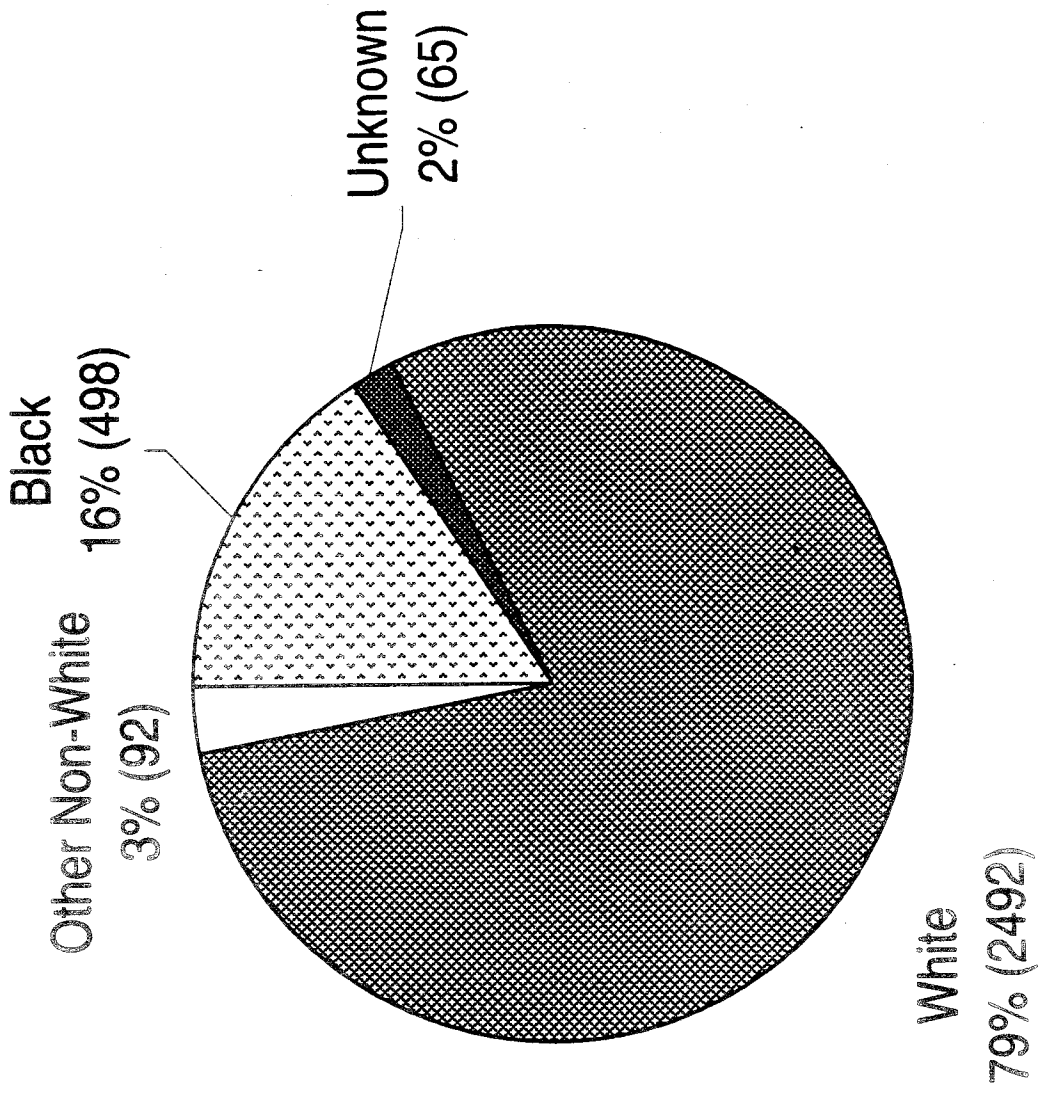
Survey of DSS Family Foster Homes (Does not include Jefferson County)		TOTALS	
Number of Homes without Foster, Adoptive, or Birth Children		208	
Birth Children		427	
Adoptive Children		193	
Total Number of Non-Foster Children in the Homes		620	16%
Emergency Shelter		28	
Family Treatment Home		79	
High Risk		89	
Medically Fragile		58	
Pre-adoptive Placement		4	
Regular		1479	
Special Needs		1286	
Relationship of child to foster family is unknown		125	
Total Number of Identifiable Foster Children		3148	84%
Total Number of Children in Foster Homes		3768	

Ages of Foster Children in DSS Foster Care

(N = 3148)

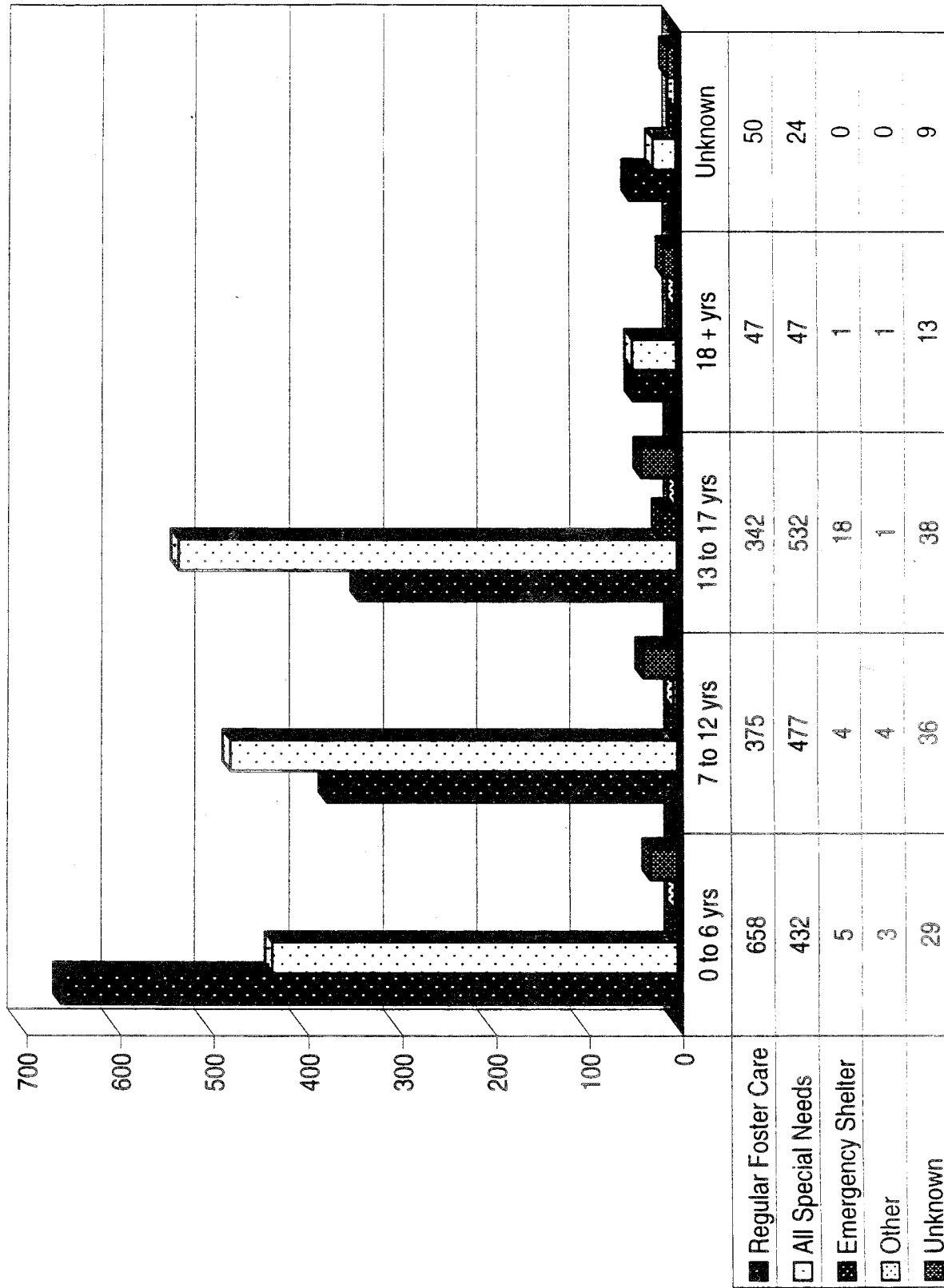


Race of Children in DSS Foster Care

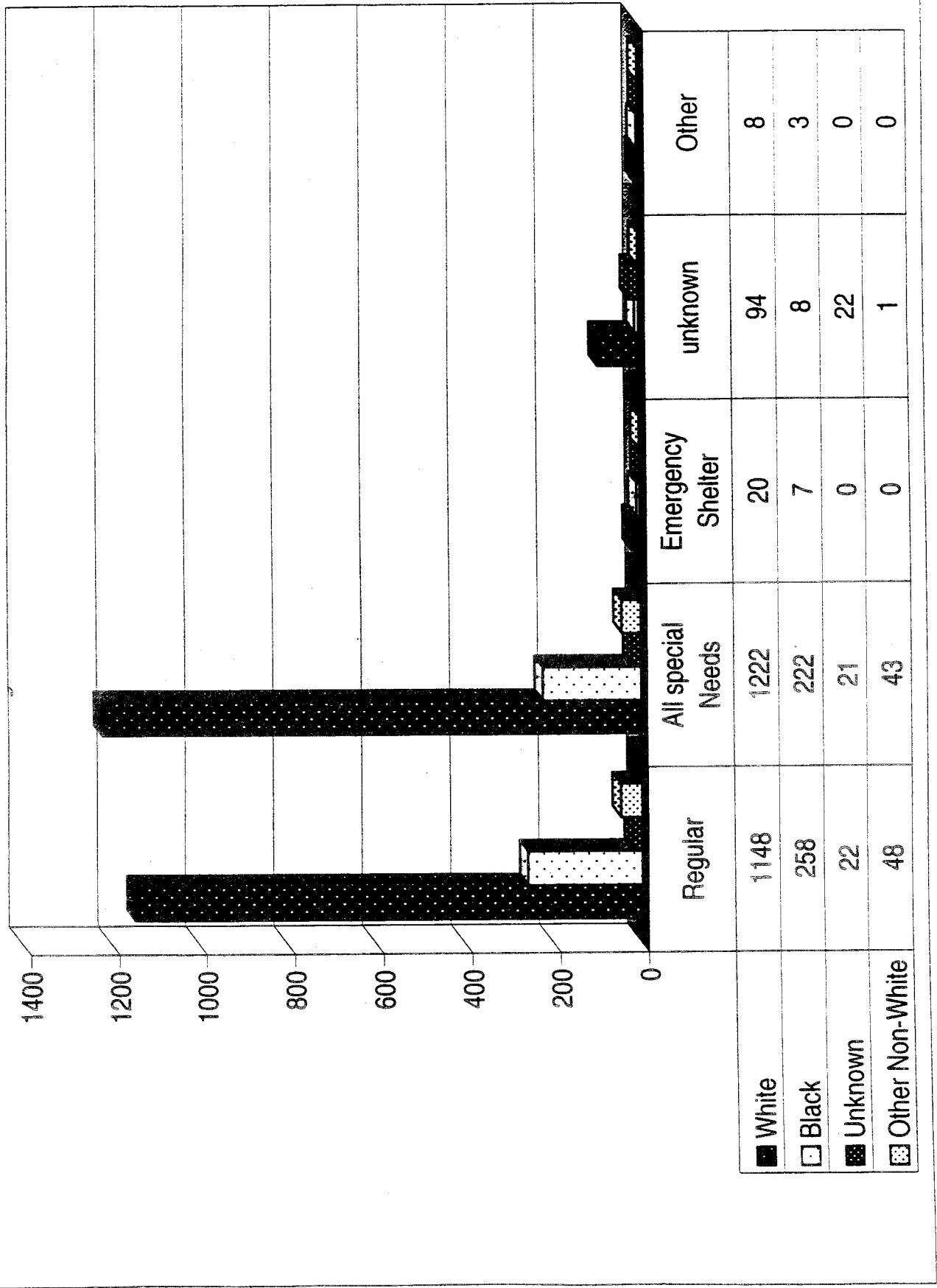


Source: Survey of Family Foster Homes, Department for Social Services, Cabinet for Families and Children, Summer 1996. Prepared by Legislative Research Commission for the Task Force on Children in Placement, August 1997.

Children in DSS Foster Care by Age and Type of Foster Care

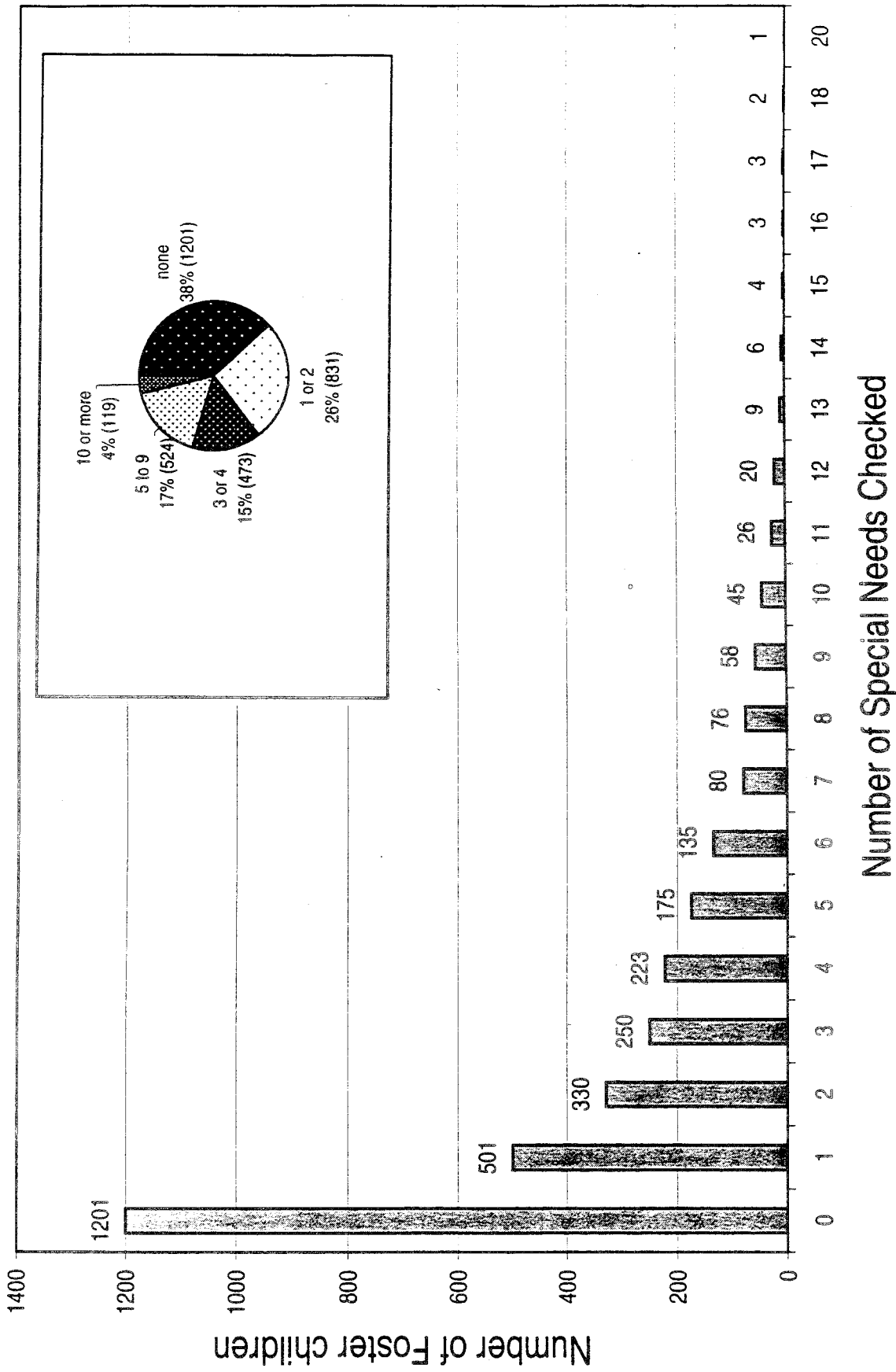


Children in DSS Foster Care by Race and Type of Care



Source: Survey of Family Foster Homes, Department for Social Services, Cabinet for Families and Children, Summer 1996. Prepared by Legislative Research Commission for the Task Force on Children in Placement, August 1997.

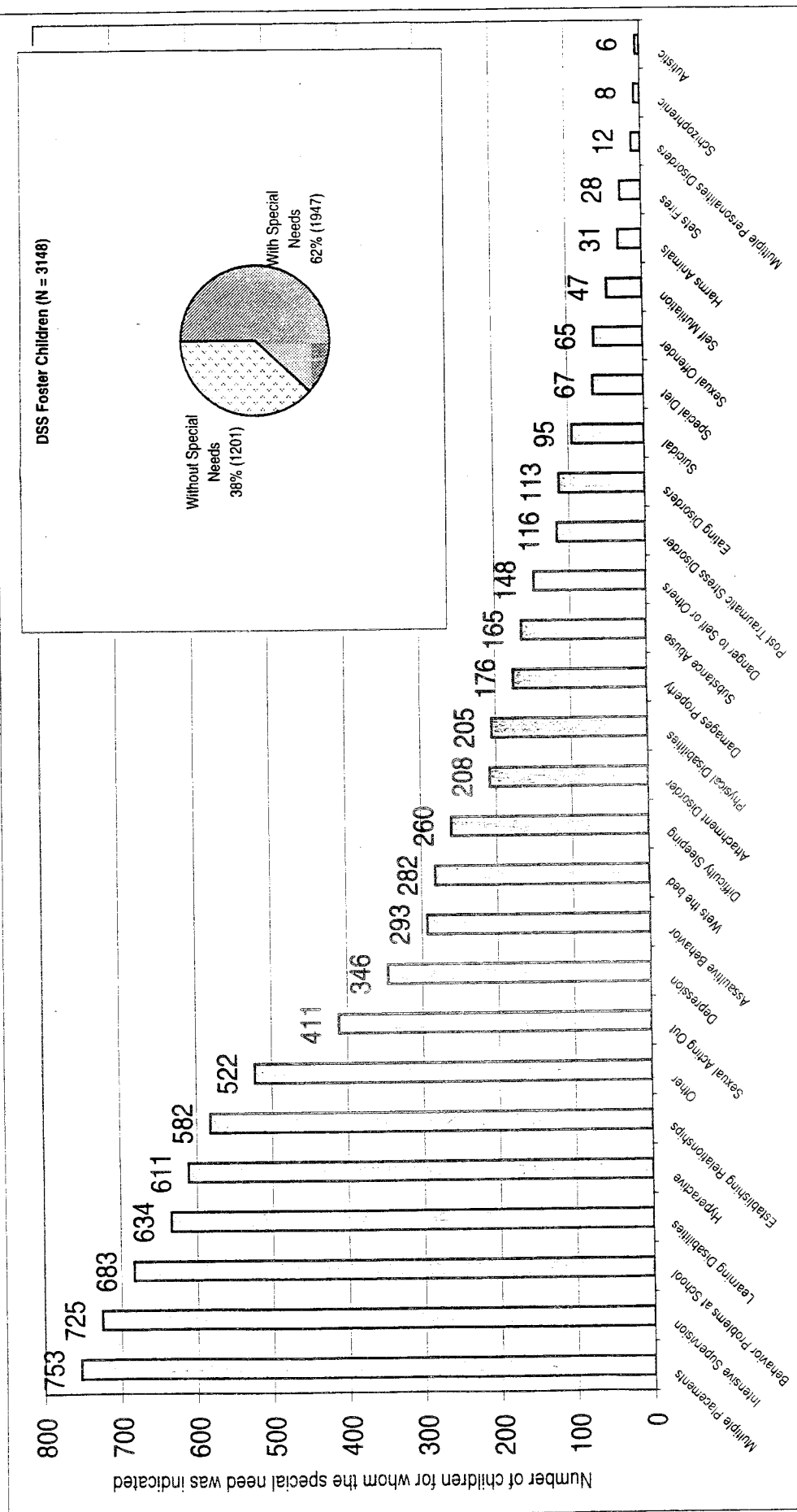
Number of Special Needs Indicated for DSS Foster Children (N = 3148)



Source: Survey of Family Foster Homes, Department for Social Services, Cabinet for Families and Children, Summer 1995. Prepared by Legislative Research Commission for the Task Force on Children in Placement, August 1997.

Special Needs indicated for children in DSS Foster Care (1947 children)

(NOTE: No special needs indicated for 1201 children)



Prepared by the Legislative Research Commission for the Task Force on Children in Placement. Source: Survey of Family Foster Homes, Department for Social Services, Cabinet for Families and Children, Summer 1996.

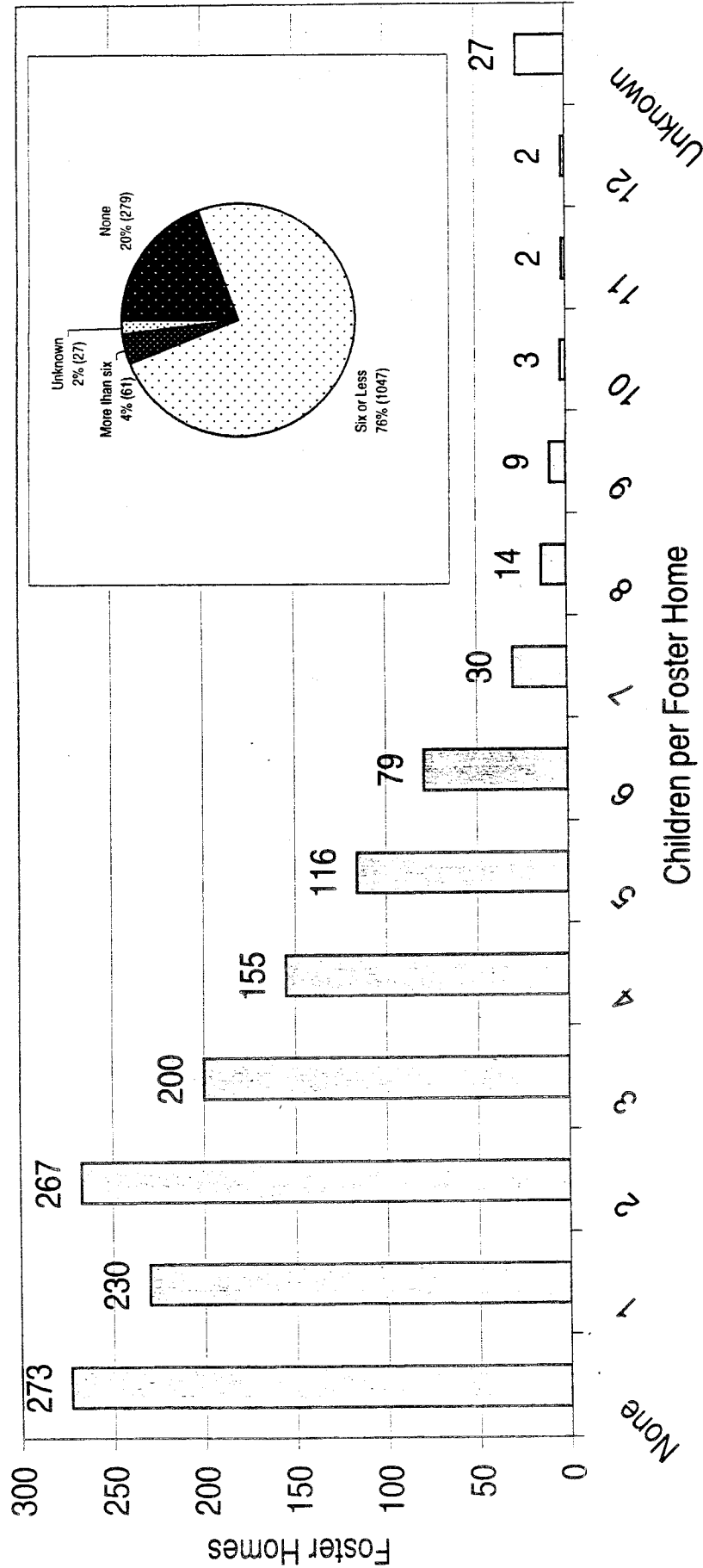
Number of Foster Homes that are Over or Under the Recommended Number of Foster Children

(N = 2283 ... Includes Foster Homes with No Foster Children)



Prepared by the Legislative Research Commission for the Task Force on Children in Placement, August 1997.
Source: Survey of Family Foster Homes, Department for Social Services, Cabinet for Families and Children, Summer 1996.

Number of Foster Children per Foster Home (N = 1407)



Special Needs Indicated for Children in DSS Foster Care

Special Needs Listed by Rank Order For "All Ages Combined"	All Ages Combined		0 to 6 yrs		7 to 12 yrs		13 to 17 yrs		18+ yrs	
	Ranking	# Children	Ranking	# Children	Ranking	# Children	Ranking	# Children	Ranking	# Children
Multiple Placements	1	753	6	139	2	258	1	319	3	22
Intensive Supervision	2	725	2	218	5	233	3	244	5	15
Behavior Problems at School	3	683	7	119	3	256	2	277	4	17
Learning Disabilities	4	634	5	144	4	245	5	209	2	24
Hyperactive	5	611	1	226	1	266	11	111	15	3
Establishing Relationships	6	582	8	114	6	188	4	243	1	25
Other	7	522	3	188	8	127	6	183	6	14
Sexual Acting Out	8	411	11	84	7	136	7	176	10	6
Depression	9	346	17	33	9	121	8	173	7	12
Assaultive Behavior	10	293	12	60	10	107	10	117	11	5
Wets the bed	11	282	4	147	11	90	18	40	14	3
Difficulty Sleeping	12	260	9	112	12	86	16	55	17	2
Attachment Disorder	13	208	13	53	13	79	12	66	12	5
Physical Disabilities	14	205	10	101	15	55	17	41	9	6
Damages Property	15	176	16	39	14	78	15	57	28	0
Substance Abuse	16	165	23	7	23	12	9	135	8	9
Danger to Self or Others	17	148	18	28	17	50	13	65	18	2
Post Traumatic Stress Disorder	18	116	19	23	16	55	19	37	19	1
Eating Disorders	19	113	14	47	18	30	21	28	13	4
Suicidal	20	95	22	7	19	20	14	63	16	2
Special Diet	21	67	15	44	24	12	24	10	23	0
Sexual Offender	22	65	21	7	20	19	20	36	22	0
Self Mutilation	23	47	20	12	22	13	22	20	20	1
Harms Animals	24	31	24	7	25	9	23	13	21	1
Sets Fires	25	28	25	4	21	15	26	8	27	0
Multiple Personalities Disorders	26	12	27	2	26	2	25	8	24	0
Schizophrenic	27	8	28	0	27	2	27	5	25	0
Autistic	28	6	26	3	28	1	28	2	26	0

NOTE: Highlighted Sections denote the Top Ten Special Needs Indicated.

APPENDIX G

Department for Social Services FY96 Annual Report on Committed Children

*Referred by the
LRC 9-3-97*



THE SECRETARY FOR FAMILIES AND CHILDREN

COMMONWEALTH OF KENTUCKY

275 EAST MAIN STREET

FRANKFORT 40621-0001

(502) 564-7130

(502) 564-7573 FAX

June 24, 1997

PAUL E. PATTON
GOVERNOR

VIOLA P. MILLER, ED.D.
SECRETARY

Don Cetrulo, Executive Director
Legislative Research Commission
Capitol Building, Room 300
Frankfort, Kentucky 40601

Dear Mr. Cetrulo:

In compliance with KRS 194.360, enclosed is the Cabinet's Annual Report on Committed Children for state fiscal year 1996. Any questions or concerns should be addressed to Donna Harmon, MSW, Commissioner, Department for Social Services at (502)564-4650.

Sincerely,

A handwritten signature in cursive script that reads "Viola Miller".

Viola P. Miller
Secretary

Enclosure

**DEPARTMENT FOR SOCIAL SERVICES
ANNUAL REPORT ON COMMITTED CHILDREN
FY 1996**

In accordance with KRS 194.360, as amended by the 1992 General Assembly, this Annual Report on Committed Children has been prepared for submittal to the Governor, the General Assembly, and the Chief Justice.

The following items respond to specific questions in the statute. The information is based upon the best available data from the mainframe computer system. Variances exist due to matching data files from segregated systems.

(1) The number of children under an order of dependent, status, public, or voluntary commitment to the Cabinet, according to permanency planning goals, current placement, average number of placements, type of commitment, and the average length of time children remain committed to the Cabinet.

During FY '96 a total of 4,909 children were under an order of dependent, status, public, or voluntary commitment to the Cabinet, according to the Family Activity Client Tracking System. This system was used for data in parts A and D because it contains goals determined for the child. The numbers in A and D are unduplicated. Sources for data in part B were the Imprest Cash Voucher System, the Residential Tracking System and Family and Client Activity Tracking System.

Note: This report does not include 2,948 children who were in the Cabinet's care under an order of temporary or emergency custody.

A. Permanency Planning Goals

Return to Parent	2,427
Relative Placement	331
Independent Living	493
Adoption	1,266
Permanent Substitute Care	361
Unreported	31

B. Type of Placement

This includes all children who were in a placement, including one with parent, during fiscal year 1996. These numbers reflect a child in more than one placement.

Family Foster Care	6,037
Private Child Care	2,826
CRS Group Home	293
CRS Treatment Facility	1,054
Child with Parent	726
Child with Relative	384
Child with Relative/Foster Home	89
Clinical Care	154

C. Average Number of Placements

The average number of placements of committed children during FY '96 was 3.13. This average is for placements among all the different living arrangements. See also subsection (2).

D. Type of Commitment

Dependent	3,540
Status Offender	495
Public Offender	652
Voluntary	222

E. Average Length of Time

The average length of time that children remained committed to the Cabinet during FY '96 was 960.26 days. (Commitment may have occurred in a prior year). This includes children committed and remaining in the parents' home. See also subsection (2).

(2) *The number of children in the custody of the Cabinet in the following types of residential placements, the average length of stay in these placements, and the average number of placements experienced by these children: family foster homes, private child care facilities, group homes, psychiatric facilities, and placement with biological parent or person exercising custodial control or supervision.*

Children in the legal custody of the Cabinet, as indicated in section (1) above, were in the following types of residential placement during FY '96. The source of the following data was the Family Activity and Client Tracking System.

Placement	Average Length of Stay	Number of Placements
Family Foster Care	711.17	3.27
Private Child Care	613.50	3.55
CRS Group Home	302.42	3.71
CRS Treatment Facility	253.52	6.28
Psychiatric Hospital	446.99*	4.00
Child with Parent	483.13	3.77
Child with Relative	508.17	3.46
Child with Rel/Fos Home	940.97	3.45

*This average length of stay appears to be greater in the information system than it actually is due to exit data not being submitted on a timely basis.

(3) *The number of children in the custody of the Cabinet eligible for adoption, the number placed in an adoptive home, and the number ineligible for adoption and the reasons therefor.*

A. Eligible for adoption

The number of children in the custody of the Cabinet eligible for adoption during FY '96 was 704. These are children for whom parental rights have been terminated.

B. Placed in an Adoptive Home

The number of children placed in an adoptive home during FY '96 was 198.

C. Ineligible for Adoption

Based on the latest permanency planning goal, the number of children ineligible for adoption during FY '96 was **3,617**. (This number does not include **390** children with termination of parental rights pending during FY '96.) Reasons for ineligibility include:

1. Children have a goal of return to parent;
2. Children are in care on a voluntary commitment order;
3. Children have a goal of independent living;
4. Children who have had the goal of adoption but parental rights are not terminated;
5. Children have a goal of permanent substitute care.

Sources for the above data were the Out-of-Home/Termination of Parental Rights System and the Adoption Data Base.

(4) The cost in federal and state general funds to care for the children defined in subsections (1) and (2) of this report, including the average cost per child for each type of placement, direct social worker services, operating expenses, training, and administrative costs.

Private Child Care

Expenses	Federal/General Funds
Salaries	\$603,938.00
Operating	\$65,427.00
Administrative	\$51,453.00
Training	-0-
Care and Support	\$38,197,420.00
Total	*\$38,918,238.00
Average Cost Per Child	**\$13,516.00

*General = \$28,886,601 Federal = \$10,031,637

**Average cost per child for care and support

Adoption

Expenses	Federal/General Funds
Salaries	\$3,164,359.00
Operating	\$272,684.00
Administrative	\$286,067.00
Training	\$1,522.00
Care and Support	\$5,354,886.00
Total	*\$9,078,718.00
Average Cost Per Child	**\$3,518.00

*General = \$5,156,629 Federal = \$3,922,089

** Average cost per child for care and support

Group Home

Expenses	Federal/General Funds
Salaries	\$3,887,789.00
Operating	\$658,627.00
Administrative	\$342,411.00
Training	\$132,570.00
Care and Support	\$1,949,372.00
Total	*\$6,970,769.00
Average Cost Per Child	**\$6,653.00

*General = \$3,151,663 Federal = \$3,819,106

** Average Cost Per Child for care and support

Residential

Expenses	Federal/General/Funds
Salaries	\$16,363,952.00
Operating	\$2,935,115.00
Administrative	\$1,467,355.00
Training	\$407,434.00
Care and Support	\$5,117,134.00
Total	*\$26,290,990.00
Average Cost Per Child	**\$4,855.00

*General = \$16,370,392 Federal = \$9,920,598

** Average cost per child for care and support

Clinical (Includes Re-Ed and Psychiatric Hospital)

Expenses	Federal/General Funds
Salaries	\$1,592,472.00
Operating	\$170,010.00
Administrative	\$134,809.00
Training	\$182,763.00
Care and Support	\$2,902,473.00
Total	*\$4,982,527.00
Average Cost Per Child	**\$18,847.00

*General = \$4,968,471 Federal = \$14,056

** Average cost per child for care and support

Foster Care

Expenses	Federal/General Funds
Salaries	\$14,879,450.00
Operating	\$1,723,180.00
Administrative	\$1,160,205.00
Training	\$4,771,274.00
Care and Support	\$25,766,721.00
Total	*\$48,300,830.00
Average Cost Per Child	**\$4,206.00

*General = \$22,295,156 Federal = \$26,005,674

**Average cost per child for care and support

(5) Any other matters relating to the care of foster children which the Cabinet deems appropriate and which may promote further understanding of the impediments to providing permanent homes for foster children.

There are five permanency options for children who are placed in out-of-home care. These options are: return to parents; relative placement; adoption; independent living; and, permanent substitute care. Only two of these goals can achieve legal permanence for a child, return to parent and adoption. Unless relatives are granted custody by the court, the state continues to be financially and legally responsible for the child who is placed with a relative.

The Department for Social Services faces complex impediments in trying to achieve permanency for a child. Some impediments are case specific such as the physical condition and needs of the child and family, the particular financial needs of a potential adoptive family, or the emotional and behavioral characteristics of the child. Children in out-of-home care are more likely to have family histories of poverty, lack of affordable and accessible housing, inadequate child care and health care, substance abuse and HIV infection.

An increasing number of children are entering and remaining in out-of-home care. Statistics in this report indicate that the total number of commitments has risen by 168 children during the last fiscal year. With the exception of children placed with their parents and DYS treatment facility, the average length of stay in care has increased for all types of placements. The average number of placements per child has increased for all types of placements. These statistics continue to confirm that there is a steadily increasing crisis in foster care in Kentucky.

In December 1996, President Clinton issued a Executive Memorandum to promote efforts to increase the number of children who are adopted or permanently placed each year, to move children more rapidly from foster care to permanent homes, and to encourage all Americans to consider the rewards and responsibilities of adoption. In the February 1997 national response, the following impediments to providing permanency for children were identified, all of which are relevant to Kentucky:

- lack of appropriate and timely services designed to reunite families (substance abuse treatment, respite care, family counseling, etc.)
- high caseloads and rapid staff turnover
- prolonged and extensive reunification services without adequate consideration of the permanent needs of children
- delays throughout the judicial process
- staff and judges limited view of which children are adoptable or a belief that long term foster care is not detrimental to children
- insufficient potential foster and adoptive families to meet the needs of the children requiring out-of-home care.

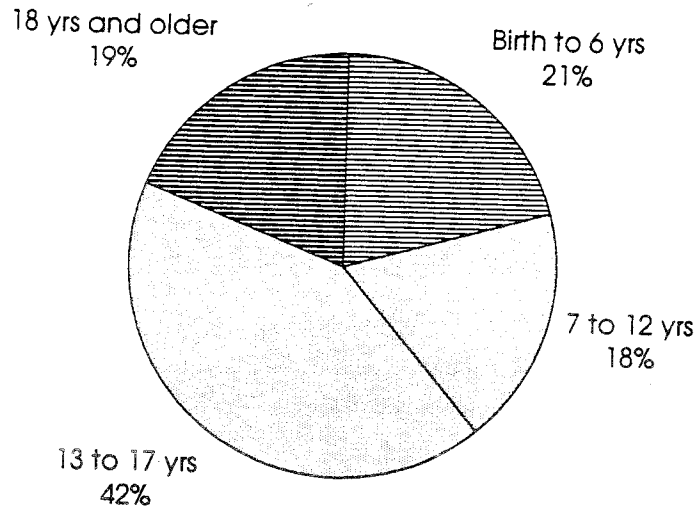
The Department for Social Services is collaborating with the regional office of the Department for Health and Human Services to implement the Presidential directive.

APPENDIX H

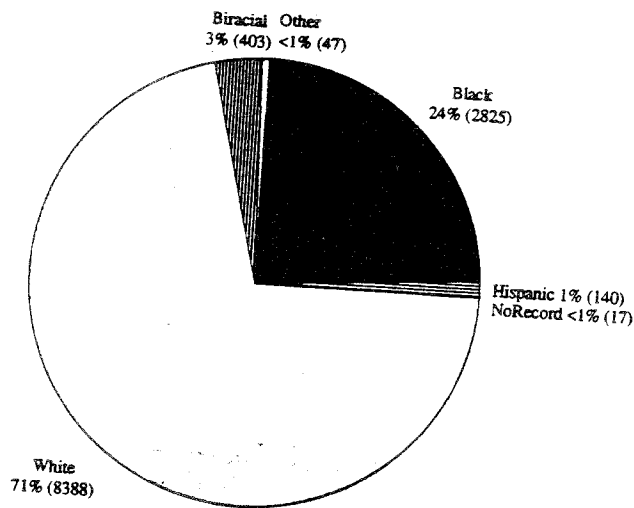
DSS Commitment Activity Report: Date Results

STATE TOTAL (N = 11,820)

AGE

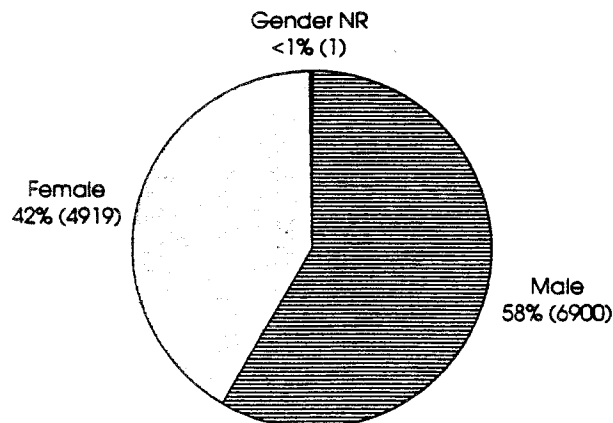


RACE



GENDER

Gender of Children in the Legal Custody of the State



Source: "Commitment Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96.
Prepared by the Legislative Research Commission for the Task Force on Children in Placement.

**Children in the Legal Custody of the State: Distribution of Age, Race, and Gender
by Type of Custody (December 4, 1996)**

By Age:

Commitment type	Total children	Birth to 6	7 to 12	13 to 17	18 +
Probated	1362	2	19	926	414
Emergency Custody	610	281	168	141	20
Release	1	0	0	0	1
Dependent	4034	1155	1182	1248	456
Status Offender	896	29	28	594	245
Public Offender	2109	11	24	1263	810
Youthful Offender	77	0	0	36	34
Voluntary	225	104	40	51	30
Temporary Custody	2404	854	716	677	157
Sexual Offender	102	0	2	58	42
Total	11,820	2436	2179	4994	2209

By Race:

Commitment type	Total children	White	Hispanic	Black	Asian Pacific Islander	Am. Indian/Alaskan	Biracial	Race Not Reported
Probated	1362	1052	17	272	2	1	17	1
Emergency Custody	610	461	5	105	0	0	36	3
Release	1	0	0	0	0	0	1	0
Dependent	4034	2656	47	1108	12	13	191	7
Status Offender	896	756	10	106	0	4	20	0
Public Offender	2109	1490	31	539	3	3	38	5
Youthful Offender	77	42	0	33	0	0	2	0
Voluntary	225	145	0	72	1	1	6	0
Temporary Custody	2404	1715	28	564	3	3	90	1
Sexual Offender	102	71	2	26	1	0	2	0
Total	11,820	8388	162	2825	22	25	403	17

By Gender:

Commitment type	Total children	Male	Female	Gender NR
Probated	1362	1025	337	0
Emergency Custody	610	301	309	0
Release	1	0	1	0
Dependent	4034	1966	2068	0
Status Offender	896	414	482	0
Public Offender	2109	1776	332	1
Youthful Offender	77	66	11	0
Voluntary	225	118	107	0
Temporary Custody	2404	1138	1266	0
Sexual Offender	102	96	6	0
Total	11,820	6900	4919	1

Source: "Commitment Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96.
Prepared by the Legislative Research Commission for the Task Force on Children in Placement.

**Children in the Legal Custody of the State: Distribution of Age, Race, and Gender
by Department for Social Services District (December 4, 1996)**

By Age:

District #	District	Total children	Birth to 6	7 to 12	13 to 17	18 +
1	Purchase	480	86	91	206	97
2	Pennyrile	836	125	92	398	220
3	Green River	654	112	102	290	150
4	Barren River	566	129	120	227	90
5	Lincoln Trail	540	110	95	230	105
6	Jefferson	2552	615	559	930	448
7	Northern Kentucky	1307	214	174	686	233
8/9	BuffaloTr Gateway	428	92	63	185	87
10/11	Fivco/BigSandy	526	113	102	216	95
12	KY River	356	102	105	107	42
13	Cumberland Valley	712	170	149	313	80
14	Lake Cumberland	371	66	64	171	70
15	Bluegrass	2198	452	412	910	424
16	Salt River	294	50	51	125	68
	State Total	11,820	2436	2179	4994	2209

By Race:

District #	District	Total children	White	Hispanic	Black	Asian Pacific Islander	Am. Indian or Alaskan	Biracial	Race Not Reported
1	Purchase	480	324	8	132	0	5	11	0
2	Pennyrile	836	503	12	296	1	0	24	0
3	Green River	654	512	6	115	1	4	14	2
4	Barren River	566	459	5	73	2	2	22	3
5	Lincoln Trail	540	413	14	80	0	3	29	1
6	Jefferson	2552	1051	20	1355	3	4	117	2
7	Northern Kentucky	1307	1141	9	106	5	2	42	2
8/9	BuffaloTr Gateway	428	405	4	7	1	0	10	1
10/11	Fivco/BigSandy	526	506	5	10	0	0	5	0
12	KY River	356	346	4	5	0	0	1	0
13	Cumberland Valley	712	679	2	20	1	0	10	0
14	Lake Cumberland	371	337	1	21	0	2	10	0
15	Bluegrass	2198	1459	46	582	8	3	96	4
16	Salt River	294	253	4	23	0	0	12	2
	State Total	11,820	8388	140	2825	22	25	403	17

Source: "Commitment Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96.
Prepared by the Legislative Research Commission for the Task Force on Children in Placement.

By Gender:

District #	District	Total children	Male	Female	Gender NR
1	Purchase	480	293	187	0
2	Pennyrile	836	537	298	1
3	Green River	654	360	284	0
4	Barren River	566	302	264	0
5	Lincoln Trail	540	308	232	0
6	Jefferson	2552	1554	998	0
7	Northern Kentucky	1307	807	500	0
8/9	BuffaloTr Gateway	428	266	162	0
10/11	Fivco/BigSandy	526	267	259	0
12	KY River	356	196	160	0
13	Cumberland Valley	712	378	334	0
14	Lake Cumberland	371	203	168	0
15	Bluegrass	2198	1265	933	0
16	Salt River	294	164	130	0
	State Total	11,820	6900	4919	1

Source: "Commitment Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96.
Prepared by the Legislative Research Commission for the Task Force on Children in Placement.

**Children in the Legal Custody of the State: Distribution of Age, Race, and Gender
by Living Arrangement (December 4, 1996)**

By Age:

Living Arrangements	Total children	Birth to 6	7 to 12	13 to 17	18 +
Adults in Own Home	99	3	0	18	78
Adults w/Caretaker	27	3	4	13	7
Child with Parents	4426	565	509	2223	1097
Family foster care	3488	1230	1010	781	357
Private Child Care	1112	63	130	705	214
Adoptive Placement	293	98	116	65	14
Alternate Care/Adult	3	0	0	1	2
Psyc Hospital	203	6	32	133	32
Rel Placmnt/non-foster	1149	368	292	382	107
Rel Placmnt/foster home	118	27	43	39	9
Contract-CRS Grp Home	51	1	6	35	9
CRS Group Home	106	2	3	83	18
CRS Treatment Facility	366	0	0	230	136
Other	379	40	34	176	129
Total	11,820	2436	2179	4994	2209

By Race:

Living Arrangements	Total children	White	Hispanic	Black	Asian Pacific Islander	Am. Indian or Alaskan	Biracial	Race Not Reported
Adults in Own Home	99	79	1	18	0	0	1	0
Adults w/Caretaker	27	19	0	8	0	0	0	0
Child with Parents	4426	3340	57	888	3	4	125	6
Family foster care	3488	2375	46	874	8	13	164	8
Private Child Care	1112	786	13	270	4	1	37	1
Adoptive Placement	293	216	6	53	0	0	18	0
Alternate Care/Adult	3	3	0	0	0	0	0	0
Psyc Hospital	203	158	1	39	0	3	2	0
Rel Placmnt/non-foster	1149	761	8	339	2	0	38	1
Rel Placmnt/foster home	118	54	1	59	2	0	2	0
Contract-CRS Grp Home	51	36	2	13	0	0	1	0
CRS Group Home	106	74	1	30	0	0	1	0
CRS Treatment Facility	366	221	3	135	3	0	4	0
Other	379	266	1	100	0	1	10	1
Total	11,820	8388	140	2825	22	25	403	17

Source: "Commitment Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96.
Prepared by the Legislative Research Commission for the Task Force on Children in Placement.

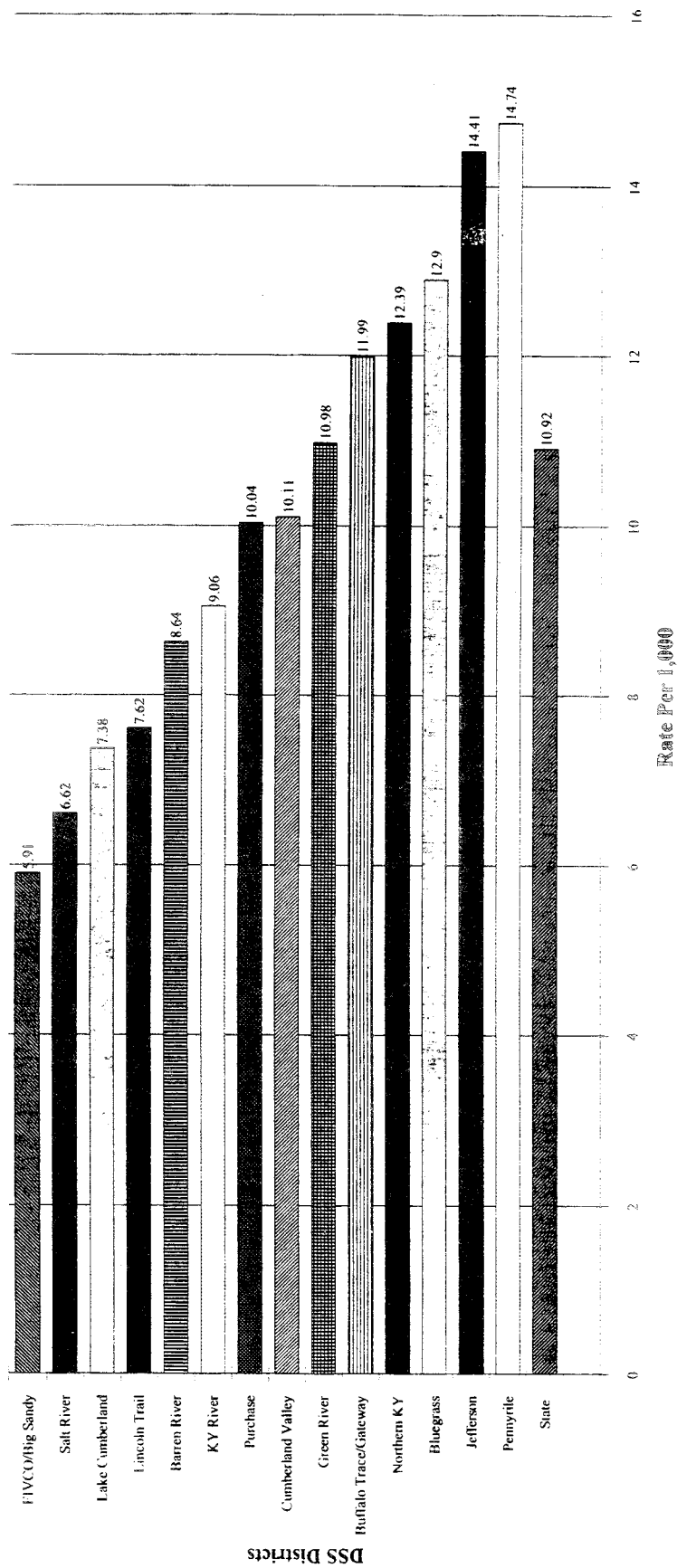
By Gender:

Living Arrangements	Total children	Male	Female	Gender NR
Adults in Own Home	99	43	56	0
Adults w/Caretaker	27	16	11	0
Child with Parents	4426	2844	1549	0
Family foster care	3488	1712	1776	0
Private Child Care	1112	645	466	1
Adoptive Placement	293	155	138	0
Alternate Care/Adult	3	3	0	0
Psyc Hospital	203	119	84	0
Rel Placmnt/non-foster	1149	597	552	0
Rel Placmnt/foster home	118	58	60	0
Contract-CRS Grp Home	51	39	12	0
CRS Group Home	106	85	21	0
CRS Treatment Facility	366	328	38	0
Other	379	223	156	0
Total	11,820	6900	4919	1

APPENDIX I

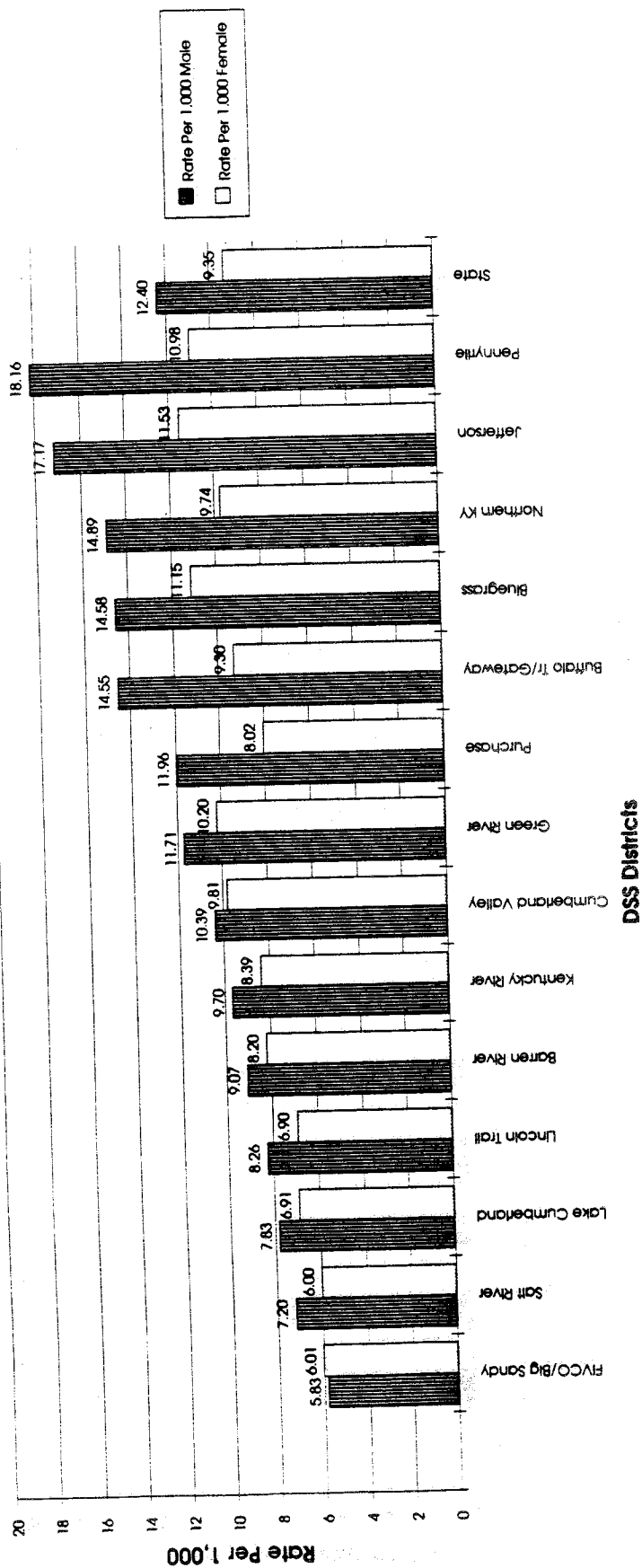
Rates per 1,000 for Children in Legal Custody

Children in Legal Custody by DSS District



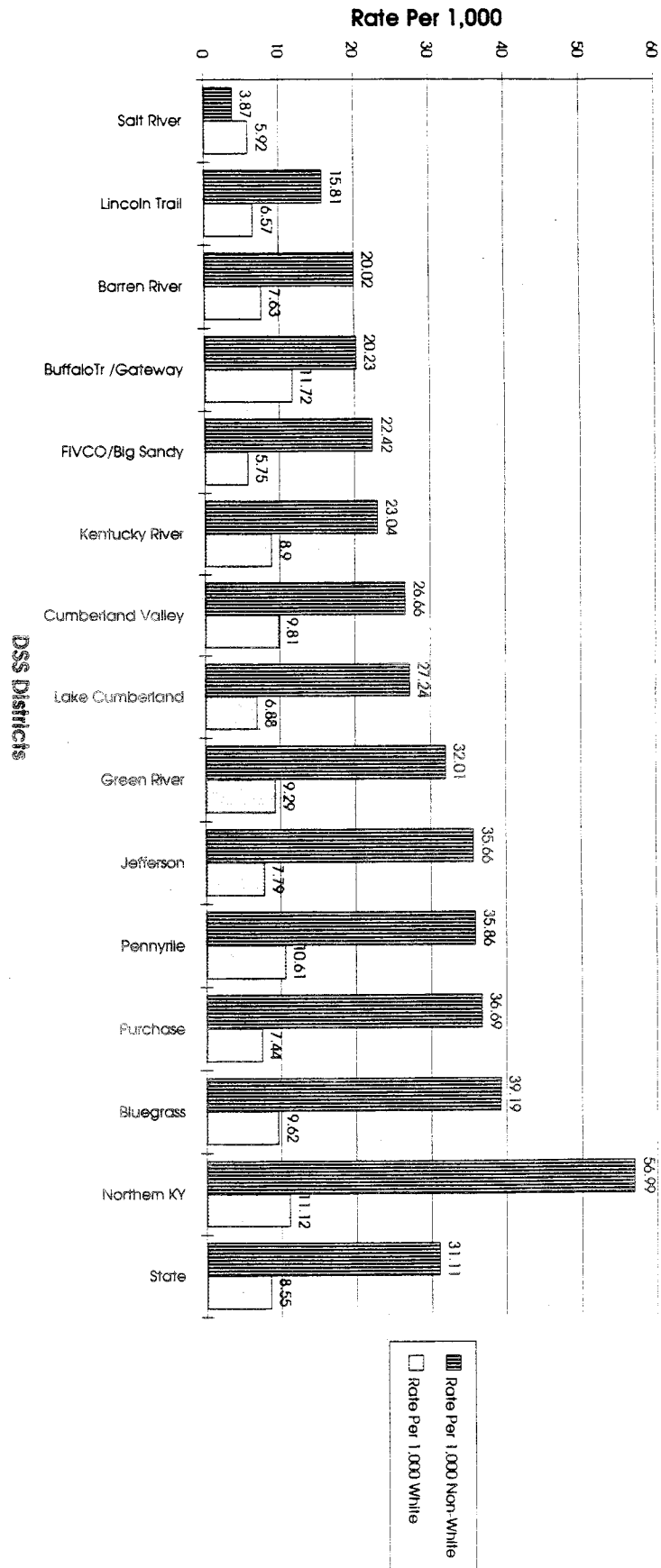
Legal Custody Data Source: "Commitment Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96; Population Data Source: U.S. Census Bureau 1990-1994

Children in Legal Custody by Gender



Legal Custody Data Source: "Government Activity Report" (BSSRO213), Cabinet for Families and Children, 2/4/96. Population Data Source: U.S. Census Bureau, 1994

Children in Legal Custody by Race



Legal Custody Data Source: "Continuum Activity Report" (SSR0213), Chart for Families and Children, 12/4/96; Population Data Source: U.S. Census Bureau, 1994

Children in Legal Custody by Race

(Rate Per 1,000)

DSS District	Rate per 1,000	Total Population Under 20	Children in Legal Custody	White			Non-White		
				Rate Per 1,000	Pop.	In Custody	Rate Per 1,000	Pop.	In Custody

State	10.92	1,082,665	11,820	8.55	980,810	8,388	31.11	110,244	3,430
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Purchase	10.04	47,825	480	7.44	43,573	324	36.69	4,252	156
Peannyrile	14.74	56,703	836	10.61	47,416	503	35.86	9,287	333
Green River	10.98	59,577	654	9.29	55,141	512	32.01	4,436	142
Barren River	8.64	65,516	566	7.63	60,171	459	20.02	5,345	107
Lincoln Trail	7.62	70,912	540	6.57	62,878	413	15.81	8,034	127
Jefferson	14.41	177,090	2,552	7.79	135,002	1,051	35.66	42,088	1,501
Northern KY	12.39	105,527	1,307	11.12	102,614	1,141	56.99	2,913	166
Buffalo Tr/Gateway	11.99	35,703	428	11.72	34,566	405	20.23	1,137	23
FIVCO/Big Sandy	5.91	88,943	526	5.75	88,051	506	22.42	892	20
Kentucky River	9.06	39,290	356	8.90	38,856	346	23.04	434	10
Cumberland Valley	10.11	70,427	712	9.81	69,189	679	26.66	1,238	33
Lake Cumberland	7.38	50,260	371	6.88	49,012	337	27.24	1,248	34
Bluegrass	12.90	170,450	2,198	9.62	151,594	1,459	39.19	18,856	739
Salt River	6.62	44,442	294	5.92	42,747	253	3.87	10,084	39

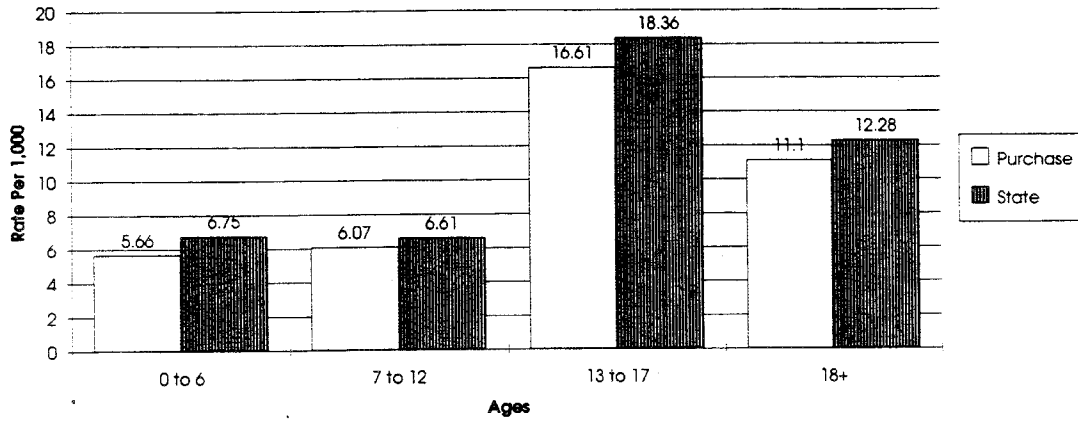
Legal Custody Data Source: "Commitment Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/96; Population Data Source: U.S. Census Bureau KY State Data Center 1994

Children in Legal Custody by Age

(Rate Per 1,000)

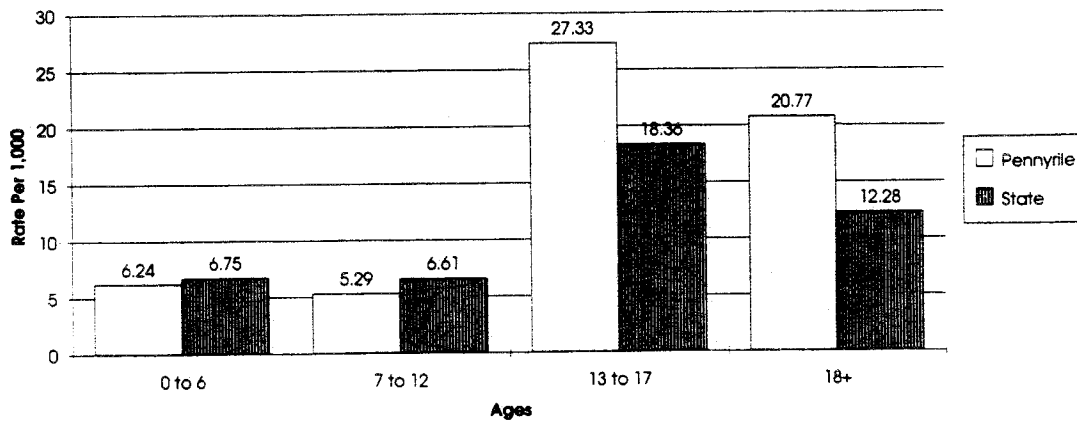
District	Rate Per 1,000	Total Population Under 20	Children in Legal Custody	AGE Birth to 6 years			AGE 7 years to 12 years			AGE 13 years to 17 years			AGE 18 years to 20 years		
				Rate Per 1,000	Pop.	In Custody	Rate Per 1,000	Pop.	In Custody	Rate Per 1,000	Pop.	In Custody	Rate Per 1,000	Pop.	In Custody
State	10.92	1,082,665	11,820	6.75	361,032	2,436	6.61	329,461	2,179	18.36	272,071	4,994	12.28	179,892	2,209
Purchase	10.04	47,825	480	5.66	15,197	86	6.07	14,983	91	16.61	12,399	206	11.10	8,737	97
Pennyrille	14.74	56,703	836	6.24	20,028	125	5.29	17,390	92	27.33	14,561	398	20.77	10,592	220
Green River	10.98	59,577	654	5.58	20,069	112	5.48	18,625	102	19.12	15,168	290	16.11	9,313	150
Barren River	8.64	65,516	566	6.43	20,069	129	6.09	19,693	120	13.96	16,256	227	7.81	11,530	90
Lincoln Trail	7.62	70,912	540	5.45	20,165	110	4.46	21,303	95	13.93	16,507	230	8.37	12,542	105
Jefferson	14.41	177,090	2,552	25.64	23,984	615	10.07	55,488	559	21.09	44,107	930	16.27	27,543	448
Northern KY	12.39	105,527	1,307	3.38	63,278	214	5.37	32,381	174	28.08	24,426	686	16.91	13,776	233
Buffalo Tr/Gateway	11.99	35,703	428	2.52	36,439	92	6.02	10,459	63	20.57	8,994	185	11.31	7,690	87
FIVCO/Big Sandy	5.91	88,943	526	10.78	10,479	113	3.59	28,433	102	8.51	25,387	216	7.09	13,392	95
Kentucky River	9.06	39,290	356	3.75	27,177	102	8.30	12,649	105	9.55	11,201	107	7.17	5,855	42
Cumberland Valley	10.11	70,427	712	14.36	11,838	170	6.78	21,967	149	16.53	18,937	313	7.43	10,769	80
Lake Cumberland	7.38	50,260	371	3.04	21,720	66	4.28	14,965	64	12.66	13,510	171	8.64	8,101	70
Bluegrass	12.90	170,450	2,198	28.57	15,819	452	8.49	48,540	412	22.86	39,809	910	12.29	34,493	424
Salt River	6.62	44,442	294	0.91	54,770	50	4.05	12,585	51	11.56	10,809	125	12.23	5,559	68

**Purchase District
Children in Legal Custody by Age**



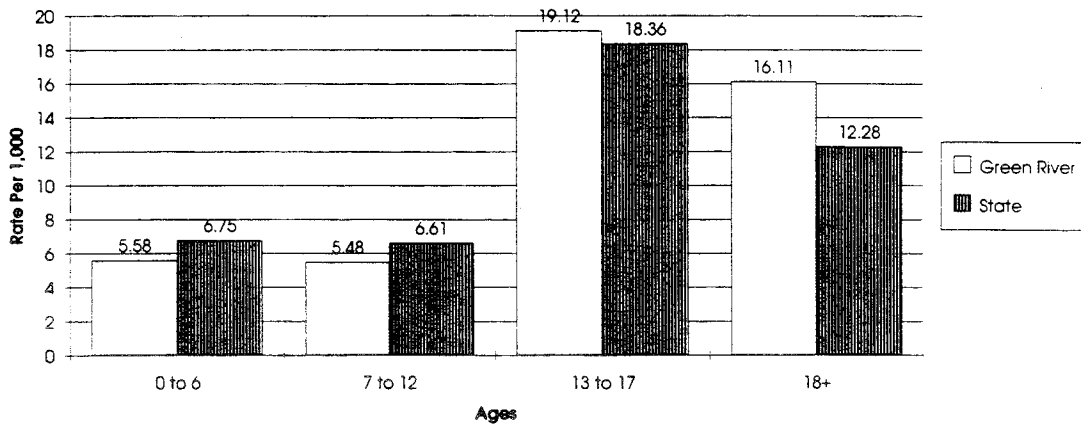
Legal Custody Data Source: "Commitment Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/96; Population Data Source: U.S. Census Bureau, 1990

**Pennyrile District
Children in Legal Custody by Age**



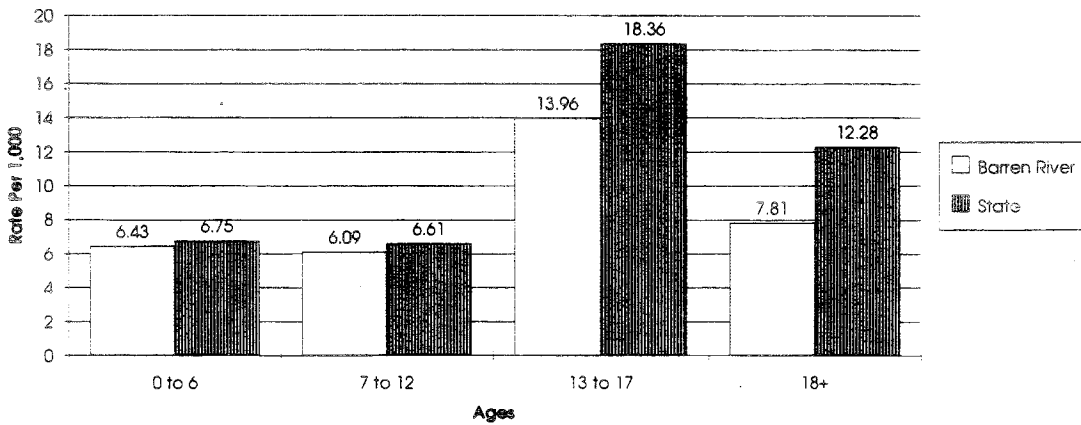
Legal Custody Data Source: "Commitment Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/96; Population Data Source: U.S. Census Bureau, 1990

**Green River District
Children in Legal Custody by Age**



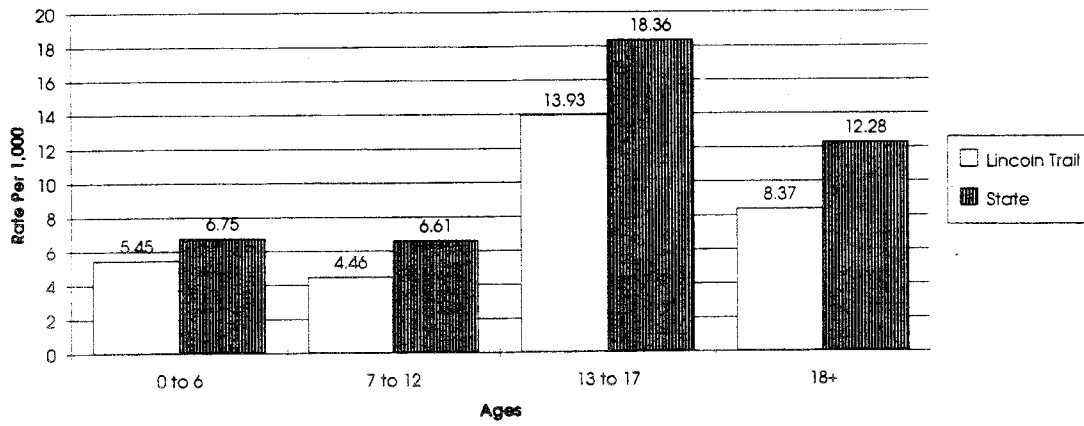
Legal Custody Data Source: "Child Welfare Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/98. Population Data Source: U.S. Census Bureau, 1990

**Barren River
Children in Legal Custody by Age**



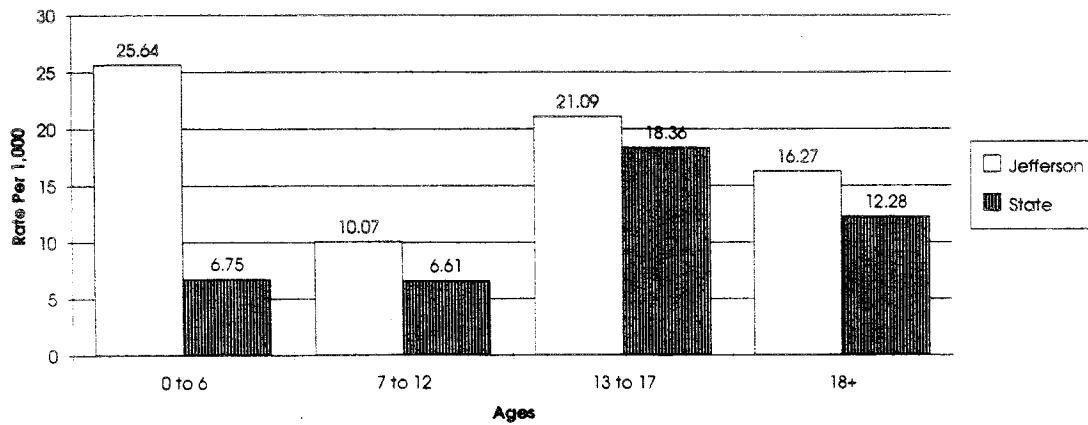
Legal Custody Data Source: "Child Welfare Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/98. Population Data Source: U.S. Census Bureau, 1990

**Lincoln Trail District
Children in Legal Custody by Age**



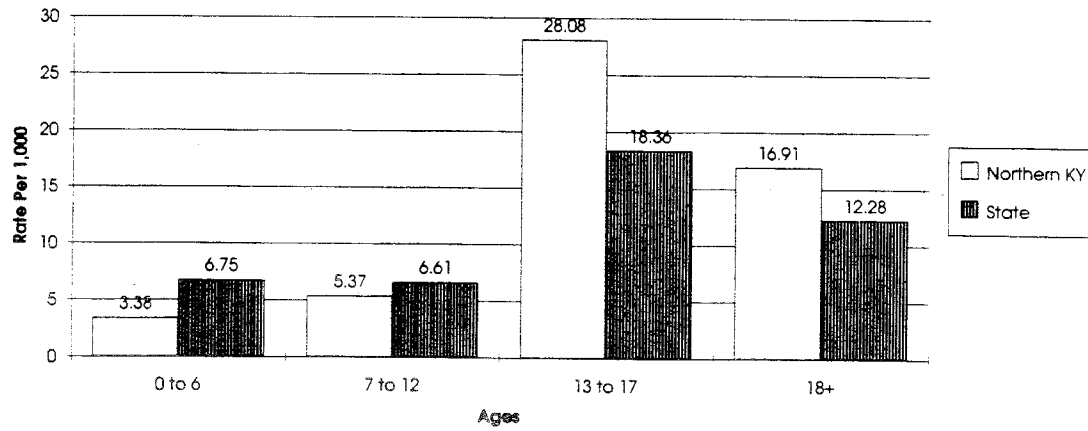
Legal Custody Data Source: "Comprehensive Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/96. Population Data Source: U.S. Census Bureau, 1990

**Jefferson District
Children in Legal Custody by Age**



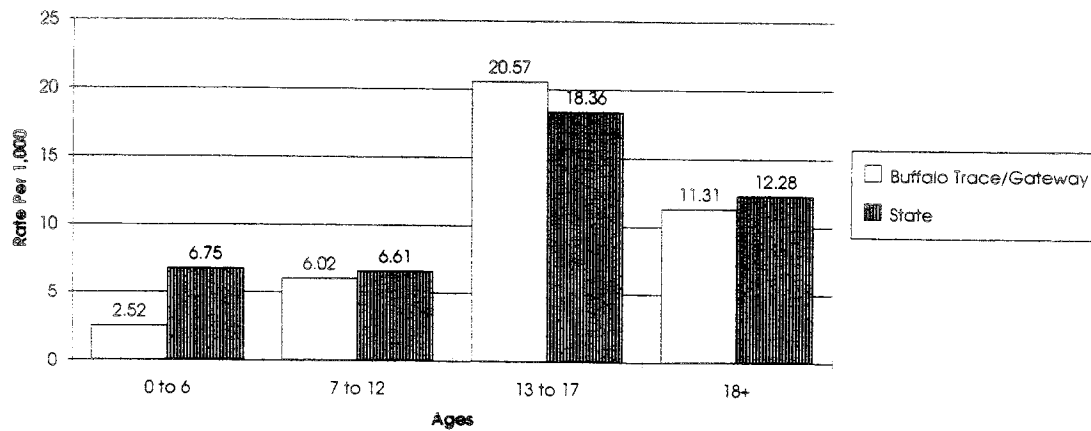
Legal Custody Data Source: "Comprehensive Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/96. Population Data Source: U.S. Census Bureau, 1990

**Northern KY District
Children in Legal Custody by Age**



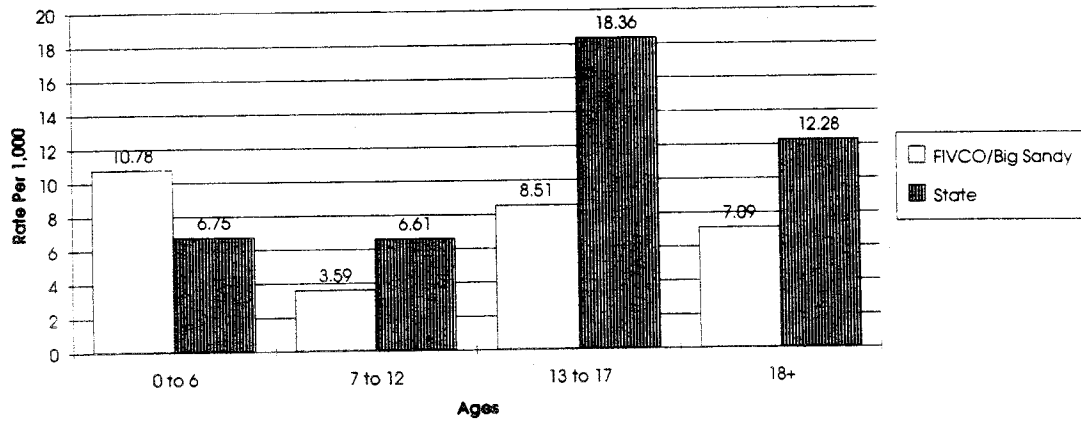
Legal Custody Data Source: "Commonwealth Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96; Population Data Source: U.S. Census Bureau, 1990

**BuffaloTr/Gateway District
Children in Legal Custody by Age**



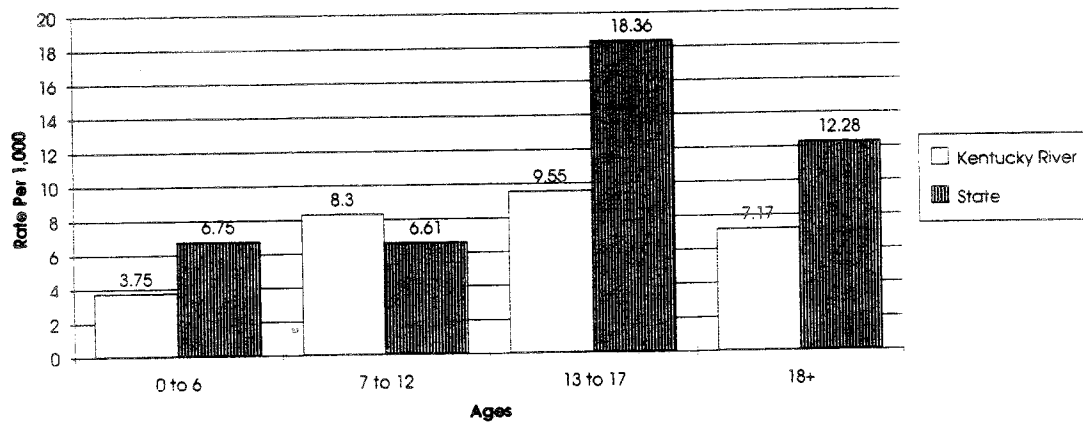
Legal Custody Data Source: "Commonwealth Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96; Population Data Source: U.S. Census Bureau, 1990

**FIVCO/Big Sandy District
Children in Legal Custody by Age**



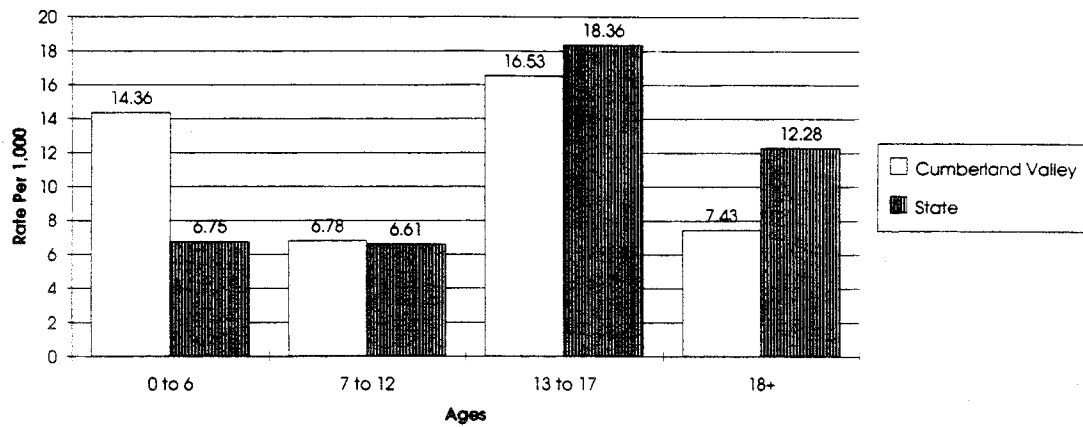
Legal Custody Data Source: "Commitment Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/96. Population Data Source: U.S. Census Bureau, 1990.

**Kentucky River District
Children in Legal Custody by Age**



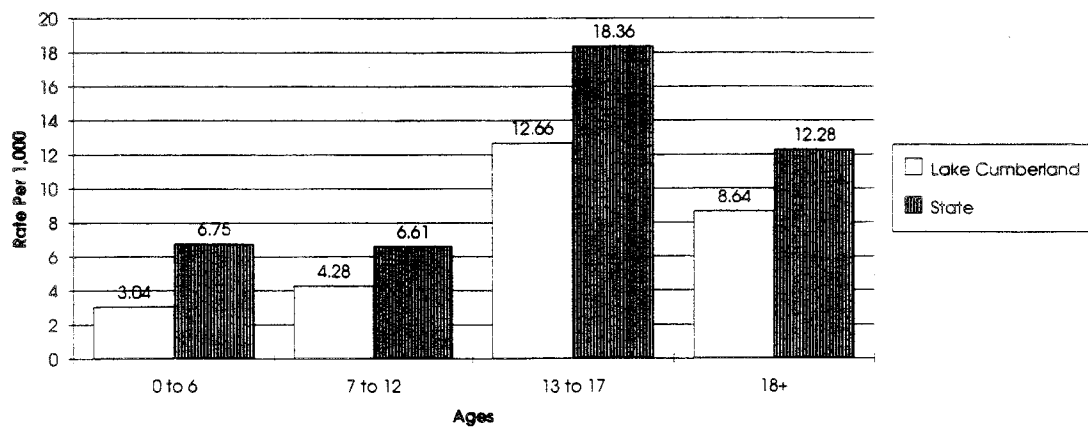
Legal Custody Data Source: "Commitment Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/96. Population Data Source: U.S. Census Bureau, 1990.

**Cumberland Valley District
Children in Legal Custody by Age**



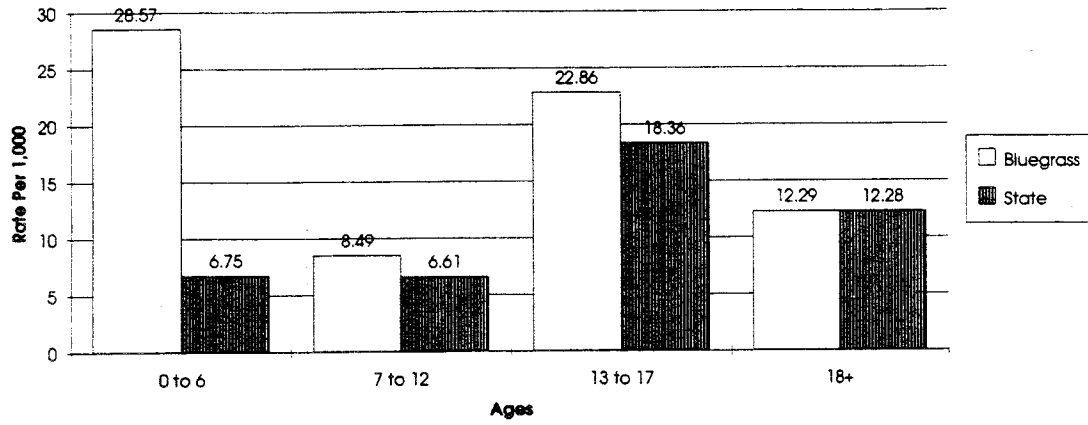
Legal Custody Data Source: "Communities Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/96. Population Data Source: U.S. Census Bureau, 1990

**Lake Cumberland
Children in Legal Custody by Age**



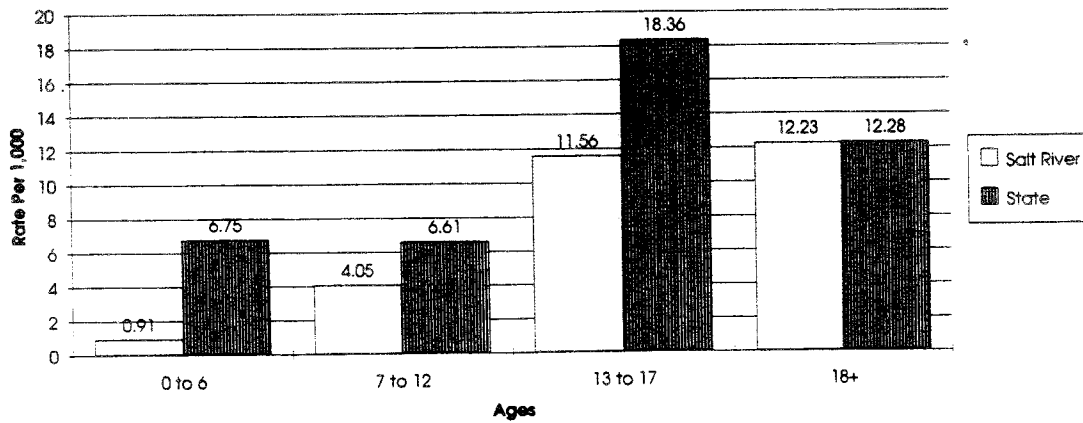
Legal Custody Data Source: "Communities Activity Report" (BSSRO215), Cabinet for Families and Children, 12/4/96. Population Data Source: U.S. Census Bureau, 1990

**Bluegrass District
Children in Legal Custody by Age**



Legal Custody Data Source: "Consequences Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96; Population Data Source: U.S. Census Bureau, 1990

**Salt River District
Children in Legal Custody by Age**



Legal Custody Data Source: "Consequences Activity Report" (BSSR0215), Cabinet for Families and Children, 12/4/96; Population Data Source: U.S. Census Bureau, 1990

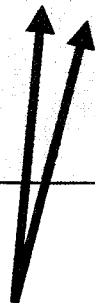
APPENDIX J

Data Summary Regarding Children Involved with the System or Care

As Children Move through "the System" ...

5,149 Children In Legal Custody in Placements	
3,148 in DSS Foster Care	
2,001 in Other Placements	
444	Dept. for Juvenile Justice facilities
161	Psychiatric Hospitals
77	PRTFs (Psychiatric Residential Treatment Facilities)
353	Private Child Care-Foster Care
966	Private Child Care

1319 children in
Private Child Care



3,043 Committed in 1 yr

7,218 in Legal Custody of the State as of December 4, 1996

3,043 Committed in 1 yr

27,023 Petitions Filed with Court

110,454 Children Brought to the Attention of "the Authorities"

63,313 children reported to be Abused/Neglected
10,448 Status Offender Petitions filed with CDW
36,693 Public Offender Petitions filed with CDW

1,082,665 Kentucky Children Under 20 years of age

How many children live in Kentucky?	
1,082,665 Kentuckians under 20 years of age	
(U.S. Census Bureau, KY State Data Center 1994)	
How many children are brought to the attention of the "authorities"?	
Dependency: In FY95 there were 40,470 reports involving 63,313 children and 71,276 incidents. <i>(nearly 6% of the child population)</i> <small>DSS Profiles and Trends FY 95</small>	
Status Offenders: In FY96, there were 10,448 Status Petitions filed with CDWs	
Public Offenders: In FY96, there were 36,693 Public Petitions filed with CDWs <small>AOC, Juvenile Services</small>	
What action is taken in response to these reports?	
Number of substantiations:	
Dependency: In FY95, there were 16,962 (42%) Reports substantiated involving 26,086 (41%) children and 28,627 (40%) incidents. <i>(a little over 2% of the child population)</i> <small>DSS Profiles and Trends FY 95</small>	
Status Offenders: In FY 96, # diverted from Court by CDWs 4,818 (46%)	
Public Offenders: In FY 96, # diverted from Court by CDWs 12,591 (34%) <small>AOC, Juvenile Services</small>	
How many children are taken before the court for legal action?	
Number of petitions filed with District Court in FY 97	
Dependency - 6,380 Status - 4,400 Public - 16,243 TOTAL - 27,023 <small>AOC, CourtNet data system 7/97 (Does not include Jefferson County)</small>	
How many children are placed in legal custody by the court each year?	
Number of petitions resulting in commitment in FY 97	
Dependency - 892 (14%) Status - 386 (9%) Public - 1,765 (11%) TOTAL - 3,043 <small>AOC, CourtNet data system 7/97 (Does not include Jefferson County)</small>	
After commitment, what happens to the children? Where do they live?	
As of December 4, 1996: 11,819 children Dependency: 4,034 (34%) Status: 896 (8%) *Public: 2,288 (19%) Voluntary: 225 (2%) Emergency Custody: 610 (5%) Temporary Custody: 2,404 (20%) Probated: 1,362 (12%) <small>(* Public category includes Youthful and Sexual Offenders) Commitment Activity Report (BSSR0215), CFC, 12/4/96</small>	As of December 4, 1996: 11,819 children OUT OF HOME: 5,326 (45%) <small>DSS Foster Care: 3,488 (30%) PCC: 1,112 (9%) CRS & contracted Facility: 523 (4%) Psych Hosp: 203 (2%)</small> w/PARENTS, ADOPTIVE placement, or RELATIVE: 5,986 (51%) <small>w/Parents: 4,425 (37%) Relative: 1,267 (11%) Adoptive Placement: 293 (2%)</small> OTHER: 379 (3%) ADULT: 129 (1%) <small>Commitment Activity Report (BSSR0215), CFC, 12/4/96</small>
How many children in legal custody are in out-of-home placement?	
Number in placement: 2,001 As of December 15, 1996: PCC: 966 PCC/FC: 353 DJJ: 444 Psych Hosp: 161 PRTF: 77 <small>Task Force Point in Time Survey of Facilities 12/15/96</small> DSS Foster Care: 3,148 (doesn't include Jefferson Co) <small>DSS Survey of Foster Homes, Summer 1996</small> Other: out-of-state?	Type of Legal Custody: N=2,001 As of December 15, 1996: <small>(for PCC, PCC/FC, DJJ, PRTF, & Psych Hosp)</small> Dependency: 845 (42%) Status: 236 (12%) Public: 753 (38%) Temporary: 89 (4%) Voluntary: 40 (2%) Unknown: 38 (2%) <small>Task Force Point in Time Survey of Facilities 12/15/96</small>
How long do children stay in legal custody? In out-of-home care?	
UNKNOWN	

APPENDIX K

Comparison of Petition Activity from Administrative Office of the Courts

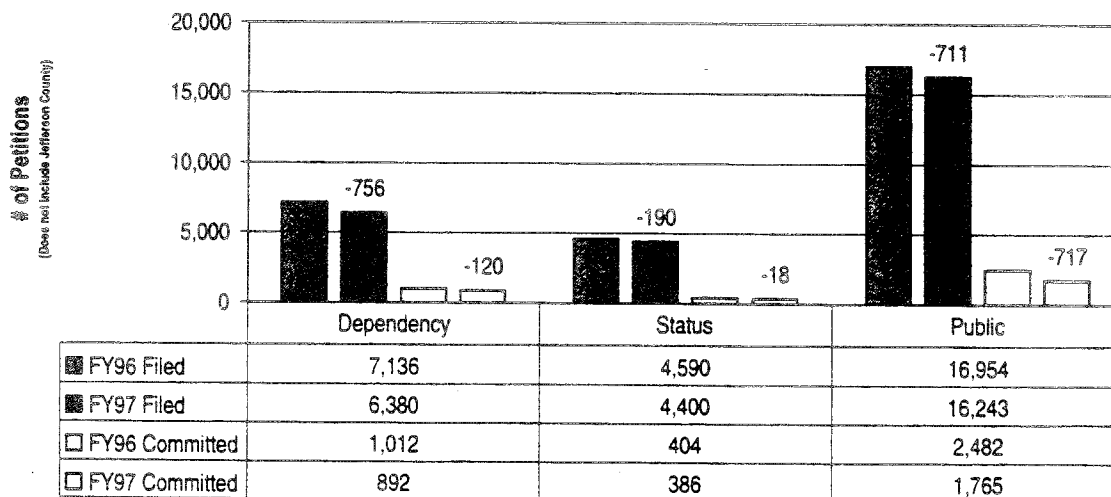
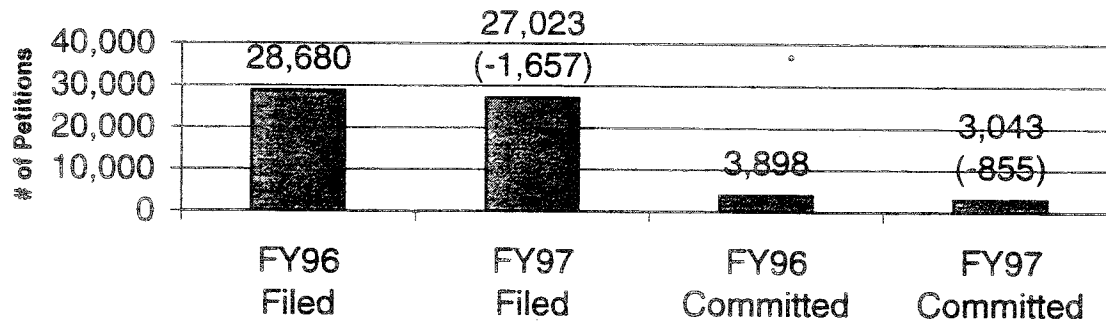
Comparison of Petition Activity in FY 96 and FY97

(Does not include Jefferson County)

	Filed			Committed			%		
	FY96	FY97	Change	FY96	FY97	Changed	FY96	FY97	Changed
Dependency	7,136	6,380	-756	1,012	892	-120	14%	14%	same
Status	4,590	4,400	-190	404	386	-18	9%	9%	same
Public	16,954	16,243	-711	2,482	1,765	-717	15%	11%	-4%
State Total	28,680	27,023	-1,657	3,898	3,043	-855	14%	11%	-2%

Statewide Totals

(Does not include Jefferson County)



	Dependency	Status	Public
FY96 Filed	7,136	4,590	16,954
FY97 Filed	6,380	4,400	16,243
FY96 Committed	1,012	404	2,482
FY97 Committed	892	386	1,765

Comparison of Petition Activity in FY 96 and FY97

(Does not include Jefferson County)

All Dependency									
	Filed			Committed			%		
	FY96	FY97	Changed	FY96	FY97	Changed	FY96	FY97	Changed
Purchase	503	400	-103	41	28	-13	8%	7%	-1%
Pennyrile	224	209	-15	90	43	-47	40%	21%	-20%
Green River	697	516	-181	82	52	-30	12%	10%	-2%
Barren River	592	549	-43	56	61	5	9%	11%	2%
Lincoln Trail	472	467	-5	94	74	-20	20%	16%	-4%
Northern Kentucky	937	760	-177	81	95	14	9%	13%	4%
Gateway/Buffalo Trace	171	174	3	38	47	9	22%	27%	5%
FIVCO/Big Sandy	464	384	-80	35	44	9	8%	11%	4%
Kentucky River	590	529	-61	69	86	17	12%	16%	5%
Cumberland Valley	630	639	9	51	67	16	8%	10%	2%
Lake Cumberland	489	472	-17	31	20	-11	6%	4%	-2%
Bluegrass	1,042	937	-105	312	253	-59	30%	27%	-3%
Salt River	328	344	16	32	22	-10	10%	6%	-3%
Dependency State Total	7,136	6,380	-756	1,012	892	-120	14%	14%	0%

Prepared by LRC staff for the Legislative Task Force on Children in Placement, August 1997.
Source: Kentucky Administrative Office of the courts, CourtNet data system.

Comparison of Petition Activity in FY 96 and FY97 (Does not include Jefferson County)

Status Offenders								
	Filed		Changed	Committed		Changed	%	
	FY96	FY97		FY96	FY97		FY96	FY97
Purchase	73	110	37	24	4	-20	33%	4%
Pennyrile	311	225	-86	68	46	-22	22%	20%
Green River	408	362	-46	79	45	-34	19%	12%
Barren River	357	248	-109	15	24	9	4%	10%
Lincoln Trail	156	165	9	13	20	7	8%	12%
Northern Kentucky	1,737	1,611	-126	65	56	-9	4%	3%
Gateway/Buffalo Trace	139	129	-10	23	25	2	17%	19%
FIVCO/Big Sandy	233	245	12	15	32	17	6%	13%
Kentucky River	140	215	75	14	19	5	10%	9%
Cumberland Valley	151	172	21	25	46	21	17%	27%
Lake Cumberland	182	187	-15	4	4	0	2%	2%
Bluegrass	619	635	16	59	55	-4	10%	9%
Salt River	91	116	25	8	10	2	9%	9%
Status Offenders State Total	4,590	4,400	-190	404	386	-18	9%	9%
								0%

Prepared by LRC staff for the Legislative Task Force on Children in Placement, August 1997.
Source: Kentucky Administrative Office of the courts, CourtNet data system.

Comparison of Petition Activity in FY 96 and FY97

(Does not include Jefferson County)

Public Offenders							
	Filed		Changed	Committed		%	
	FY96	FY97		FY96	FY97	FY96	FY97
Purchase	1,143	1,393	250	167	72	15%	5%
Pennyville	1,290	1,314	24	487	376	38%	29%
Green River	1,300	1,074	-226	334	106	26%	10%
Barren River	1,310	955	-355	108	60	8%	6%
Lincoln Trail	1,323	1,485	172	233	140	18%	9%
Northern Kentucky	3,137	2,048	-1,089	222	190	7%	9%
Gateway/Bufalo Trace	398	268	-142	95	48	24%	18%
FIVCO/Big Sandy	865	892	27	39	61	5%	7%
Kentucky River	361	531	170	51	22	14%	4%
Cumberland Valley	839	877	38	146	93	17%	11%
Lake Cumberland	760	873	113	41	40	5%	5%
Bluegrass	3,431	3,746	315	471	484	14%	13%
Salt River	797	789	-8	88	75	11%	10%
Public Offenders State Total	16,954	16,243	-711	2,482	1,765	15%	11%
							-4%

Prepared by LRC staff for the Legislative Task Force on Children in Placement, August 1997.

Source: Kentucky Administrative Office of the courts, CourtNet data system.

APPENDIX L

Children's Review Program First Annual Report: Executive Summary

THE CHILDREN'S REVIEW PROGRAM AT YEAR ONE:

Overview, Accomplishments, Challenges, and Recommendations

CHILDREN'S REVIEW PROGRAM

**350 Elaine Drive, Suite 208
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Children's Review Program Staff:

Director:

R. Paul Stratton, Ph.D.

Management Information Systems:

Douglas Shuntich

Administrative Staff:

Tammy B. Ray

Kathy Pratt

Clinical Reviewers:

Nina L. Begley, M.S.

Holly Bender, L.C.S.W.

Alan W. Hounshell, M.A.

Tye Reece, M.A.

A Program of Bluegrass Regional Mental Health - Mental Retardation Board, Inc. - JCAHO Accredited
Department for Social Services Level of Care Contract

THE CHILDREN'S REVIEW PROGRAM AT YEAR ONE

Executive Summary

The Children's Review Program is operated by the Bluegrass Regional Mental Health and Mental Retardation Board, Inc. under a contract with the Department for Social Services (DSS). The four goals of the program are to: (1) assess children committed to DSS for the level of care required to meet their service needs, (2) periodically re-assess each child's level of care, (3) assure quality of care through program and outcome monitoring, and (4) collect and analyze data on children and programs. This report covers the first year of implementation from May 15, 1996 through April 30, 1997.

Children are assessed for the level of care they require according to the behaviorally anchored definitions of four levels of care. During the first year a total of 2,281 children were assigned levels and 914 of these were placed in private child care facilities. The assigned levels of care were demonstrated to be a reliable and valid indicator of children's level of service needs.

Children's levels of care are re-assessed six months after the date of first private child care placement and every three months thereafter. This assures that the assigned level of care represents the current level of service need, whether it is more or less than initially determined. Thus far, over 800 utilization reviews have been conducted. While about 70% of the children's levels did not change, about 18% resulted in lower levels of care being assigned. Looking just at children who had been initially assigned the highest level of care, it was found that by the nine-month utilization review only 77% of the children remained at that highest level. Children's levels are also re-assessed if they are not placed within six months after the initial level is assigned, also to keep the level of care based on current needs. These reviews resulted in twice as many children receiving a higher level of care assignment than lower, reflecting the deterioration of behavior in the absence of private child care residential treatment.

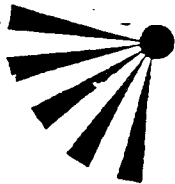
Monitoring quality of care will be accomplished through annual reviews of facilities. During the first year a workgroup of program staff, providers, and staff from DSS and DMH worked on standards of care and methods for assessment of those standards. These have been field tested and the facility reviews will begin in July, 1997. Over the next 12 months all facilities will be reviewed and a summary report prepared.

Quality of care is also reflected in specific client outcomes, which were developed and tested during the first year. Outcomes data are reported to each provider on a monthly basis and will be summarized annually. For example, children's improvement with treatment may be inferred from the lower levels of care assigned during utilization reviews. Also, discharge information revealed that each month about 10% of the children were discharged and of those about 41% were discharged to home and other less restrictive placements in contrast to the 11% who were discharged to more restrictive placements.

During the assessment of service needs and subsequent utilization reviews a considerable volume of historical and clinical data are collected on each child. This is managed with a PC-based Client/Server Data System developed in Microsoft Access for Windows 95, allowing clinical reviewers to be networked together as well as with our regional network. This flexibility allows us to give each provider and each county worker a monthly report of his or her caseload and information that is due each month. Also reported are performance indicators, such as children's progress in treatment and percent of the previous month's work which was submitted on time. The data system has also allowed us to provide special reports for DSS and the legislative Task Force on Children in Placement. This report concludes by reviewing recommendations for development during the next year.

APPENDIX M

Children's Review Program: Children with 20 or More Placements



CHILDREN'S REVIEW PROGRAM

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Brenda C. Bender, M.S.W., L.C.S.W.

Tisha Gibson, M.S.W., C.S.W.

Alan W. Hounshell, M.A.

TASK FORCE ON CHILDREN IN PLACEMENT

PRESENTATION

April 9, 1997

R. Paul Stratton, Ph.D. and Nina L. Begley, M.S.

Children's Review Program

Summary Data

*Twenty Children with Most Previous
Placements (based on top twenty with placement
information).*

Average Current Age:	16.8 years
Range	14.4 - 18.3 yrs
Average Age at First Placement:	9.8 years
Range	1.2 - 15.2 years
Average Time in Care:	6.9 years
Range	2.4 - 16.8 years
Average Total Number of Placements:	32.9
Range	23 - 63
Average Placements Per Year:	5.6
Range	2.1 - 10.3
Average Length of Time per Placement:	56.5 days
Range	13.9 - 131.5 days

Average Number of Runaways:**3.1**

Note: Nine of the children had zero runaways making the average for those who did run 5.6.

First Placement:

AWOL: 0 (0%)
Detention: 2 (10%)
DJJ Residential: 0 (0%)
Emergency Shelter: 4 (20%)
Foster Home: 7 (35%)
Home: 0 (0%)
PCC: 1 (5%)
Psychiatric Hospital: 3 (15%)
Relative: 3 (15%)
Other: 0 (0%)

Last Known Placement:

AWOL: 2 (10%)
Detention: 2 (10%)
DJJ Residential: 2 (10%)
Emergency Shelter: 1 (5%)
Foster Home: 1 (5%)
Home: 1 (5%)
PCC: 8 (40%)
Psychiatric Hospital: 1 (5%)
Relative: 0 (0%)
Other: 2 (10%)

Average Length of Time in First Placement:**76.6 days**

Detention: 29 days
Emergency Shelter: 4.5 days
Foster Home: 156.4 days
PCC: unknown
Psychiatric Hospital: 32.3 days
Relative: unknown

Children's Review Program

Comparisons Between Children with Many and Few Placements Before Level of Care Assignment

	20+ Placements (78 Children)	1 Placement (70 Children)
Descriptive Information:		
Average Age of Children.....	15.9 years	14.6 years
Gender:		
Males %.....	60%	65%
Females %.....	40%	35%
Ethnicity:		
White %.....	64%	64%
African American %.....	31%	27%
Other %.....	5%	9%
Parental Rights Terminated:		
Yes (Terminated).....	42%	4%
No.....	54%	93%
Unknown.....	4%	3%
Historical Abuse Information:		
Physical Abuse.....	65%	29%
Emotional Abuse.....	65%	22%
Sexual Abuse.....	59%	9%
Neglect.....	79%	40%
Level of Care Information:		
LOC = 4.....	58%	17%
LOC = 3.....	36%	46%
LOC = 2.....	6%	31%
LOC = 1.....	0%	6%
Commitment Status Information:		
Dependent.....	55%	20%
Public Offender.....	26%	39%
Status Offender.....	5%	20%
Unknown.....	6%	14%
Temporary.....	4%	3%
Other.....	4%	4%
Clinical Information:		
Average Full Scale IQ.....	83 (23%unknown)	74 (71%unknown)

Risk Indicators:

Ave. Number of Risk Ind.. 4.5

2.8

Top 5 Risk Indicators per group:

Aggressive Acts	86%	Substance Use	67%
Runaway	67%	Aggressive Acts	50%
Substance Use/Abuse	63%	Runaway	30%
Suicidal Gest./Attempts	60%	Sex. Acting Out	23%
Sexually Acting Out	44%	Suicidal Gest./Att.	21%

Achenbach CBCL T-Scores:

Average Total.....	71.8 (stdev 8.7)	66.5 (stdev 9.9)
Average Externalizing.....	75.9 (stdev 10.4)	71.3 (stdev 10.9)
Average Internalizing.....	64.3 (stdev 11.2)	58.4 (stdev 9.8)

Diagnosis - 5 most common:

Oppositional Defiant	31%	None Known	41%
Conduct Disorder	29%	ADHD	19%
Major Depression	23%	Oppositional Def.	11%
PTSD	22%	Conduct Disorder	10%
ADHD	21%	Major Depression	7%

Placement Information:

Ave. Number of Placements..... 27.2

1

Ave. Length of Current

Placement..... 176 days

185 days

Children's Review Program

DATA REGARDING THE MOST FREQUENTLY PLACED CHILDREN

As of 3/10/97, there were 66 children who had been assigned a Level of Care with a history of more than 20 placements.

Their current placements (according to our information) are as follows:

Non-LOC:		LOC:	
Foster Home	3	PCWA	14
Parents	2	Maryhurst	6
AWOL	2	Boys' Haven	2
R. Group Home	1	Care for Life	2
Pre-Adoptive	1	KBHC	2
Relative	1	KUMH	1
Psych Hospital	1	Barnabus Home	1
Other	2	Res-Care	1
Unknown	3	Total	29
Total	16	No Information:	21

They are from the following counties:

Jefferson	33
Fayette	9
Kenton	6
Christian	2
Johnson	2

The following counties have one each:

Boyd, Bell, Bullitt, Crittendon, Franklin, Henderson, Jessamine Knox, Laurel, Letcher, McCracken, McCreary, Pike, Whitley

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Children's Review Program

Total Previous Placements (03/28/97)

Children with 20 or more placements (70)

Category	Percent	Average (per child)
Adoptive Home	0%	0.0
AWOL	3%	0.9
Detention	6%	1.7
Emergency Shelter	11%	3.0
Foster Home	31%	8.5
PCC Foster Home	0%	0.1
Medical Hospital	0%	0.0
Non-Relative Adult	0%	0.0
Pre-adoptive Home	0%	0.1
PCC	10%	2.6
Parent	3%	0.8
PRTF	1%	0.2
Psychiatric Hospital	15%	4.0
Relative	4%	1.2
Residential Treatment	1%	0.4
Residential Group Home	2%	0.5
Unknown	8%	2.2
Other	2%	0.6
Average per child		26.9

Total Children in Database (2,048)

Category	Percent	Average (per child)
Adoptive Home	0%	0.0
AWOL	2%	0.1
Detention	6%	0.3
Emergency Shelter	11%	0.5
Foster Home	25%	1.2
PCC Foster Home	0%	0.0
Medical Hospital	0%	0.0
Non-Relative Adult	0%	0.0
Pre-adoptive Home	0%	0.0
PCC	14%	0.7
Parent	2%	0.1
PRTF	1%	0.0
Psychiatric Hospital	20%	1.0
Relative	5%	0.3
Residential Treatment	2%	0.1
Residential Group Home	2%	0.1
Unknown	9%	0.5
Other	2%	0.1
Average per child		5.0

CHILDREN WITH MANY PLACEMENTS
Report to the Task Force on Children in Placement
April 9, 1997

WHAT DO WE KNOW?

Introduce 3 sets of data:

- 20 children with the most placements
- The "many vs the few": children with 20+ placements compared to children with only one placement prior to applying for a level.
- The "many" compared to everyone else who has a level assigned.

Conclusions from these numbers:

- 1) The numbers are shocking (refer to 20 children with the most placements data):
 - the total number of placements = 23 to 63
 - the average number of placements per year = 2.1 to 10.3
 - average time in placement per child = 13.9 to 131.5 days
- 2) The progression over time appears to be from foster care to PCC (refer to first to last known placement for 20+ kids).
- 3) Children with many placements differ significantly from children with few placements (refer to Many vs Few data), even though they are about the same age:
 - more TPR (42% vs 4%)
 - more have been abuse & neglected, NB sexual abuse 59% vs 9%
 - are more disturbed =
 - higher Level of Care assigned (Level 4 = 55% vs 20%)
 - engage in more risky behavior (e.g. more suicidal 60% vs 21%)
 - have higher CBCL scores for both externalizing and internalizing behaviors
 - more have a diagnosis and a more serious diagnosis (e.g., major depression 23% vs 7% & PTSD 22% vs 0%)
 - causes of disruption (from FSW interviews n=6 of 20+ kids):
 - runaway
 - sexual perpetration
 - physical aggression on foster parent or other children in the home
 - fire setting

CHILDREN WITH MANY PLACEMENTS

Page 2

WHAT WOULD HELP LIMIT THE NUMBER OF PLACEMENTS?

1) Early assessment

- of children's pathology, which is often not evident outside of a home-like setting
- allow limited (one to two weeks) inpatient "evaluation only", even though children may not need Medicaid's admission criteria of medical necessity, in order to obtain thorough psychiatric, psychological, social interactional, and medical assessments
- allow the same in a PCC = secure, away from home setting: perhaps for limited time without intention of long-term placement
- or utilize outpatient assessment, where a secure placement is possible, using DSS "Top Priority Account"
- of parent's capacity for providing a viable home for a realistic goal of reunification

2) Supported community-based placement early in placement cycle

- increase the number of foster placements capable of taking very disturbed children, especially at "treatment home" level and for teenagers
- provide training for these foster parents, so they are better prepared
- !provide staff to support foster parents in the home, especially during crises, either through DSS or through IMPACT!!

3) Provide intensive family intervention early in the placement cycle

- IMPACT or Family Preservation to provide in-home intervention, especially mental health treatment

4) Make TPR decisions earlier

- many children disrupt so they can "go home"
- HB704 designed to assist in expediting TPR decisions

5) Move children who disrupt placements into secure placements earlier

- create in the local community crisis stabilization capability, perhaps in a specialized group home which provide a secure environment and can offer outreach services to the home and community
- create more Level 4 beds, to be secure and to provide treatment
- create an incentive for PCCs to not "eject" a child who is acting out

DISCUSSION !!

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FIN

APPENDIX N

Report of the Subcommittee on the Cost and Reimbursement of Foster Care and Response by the Department for Social Services

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SUBCOMMITTEE ON THE COST AND REIMBURSEMENT OF FOSTER CARE

TASK FORCE ON CHILDREN IN PLACEMENT

FINAL REPORT AND RECOMMENDATIONS

The Subcommittee on the Cost and Reimbursement of Foster Care was created by the Task Force on Children in Placement during its August 1996 meeting for the purpose of examining foster care reimbursement rates in Kentucky. The subcommittee was chaired by Representative Eleanor Jordan. Representative Jordan was joined on the subcommittee by Viola Miller, Secretary of the Cabinet for Families and Children, who was represented by designee, Brooke Thomas. Shirley Hedges, a foster parent and President of the National Foster Parents Association, also served as a member of the subcommittee. The subcommittee met 6 times between September of 1996 and March of 1997.

The first meeting of the subcommittee was devoted to obtaining information about the existing reimbursement system. During this meeting, representatives from the Cabinet for Families and Children provided an overview of the foster care reimbursement system, including a history of rate changes. Information was also provided regarding how rates are determined, and how payments received by state and private child caring agencies differ.

The subcommittee learned that since 1987, the cabinet has started with the USDA recommendations for Southern States Urban¹ moderate income group in formulating its budget request. Prior to the 1996 legislative session, the last increase in reimbursement rates for foster parents was in 1991. The 1996 General Assembly approved an increase in basic rates of \$1.25 per day, which puts Kentucky's reimbursement rate at approximately 55% of the USDA recommended expenditures less medical expenditures and child care expenditures. Kentucky foster parents are currently reimbursed at basic rates ranging from \$10.00 to \$12.25.

During the October meeting of the subcommittee, additional information was presented by representatives from the Cabinet for Families and Children regarding foster care rates paid by the state as compared to rates paid by private childcaring agencies. Testimony was also presented about how and when foster parents receive reimbursement for transportation of foster children. In November, the subcommittee heard testimony from foster parents. In January, the subcommittee staff presented the results of a fifty state survey of foster care reimbursement systems. During this testimony, the subcommittee learned that the basic reimbursement rates paid by Kentucky are comparable to those paid

¹ The USDA publishes an annual report documenting expenditures on children by families from birth to age 17. The report divides two parent families into three income groups, and includes a separate category for single parent families. The report also differentiates between rural and urban (over 2,500 in population) settings and regions of the country for two parent families. The USDA report is used as a benchmark by most states in developing child support guidelines and foster care payments.

by surrounding states. However, the subcommittee was cautioned about placing too much reliance on the comparison between states since all of the various state programs differ substantially in how supplemental payments and add-ons are determined and paid. During the final two meetings of the subcommittee, held in February and March, recommendations were formulated.

The following recommendations were formulated based upon the testimony presented to, and information gathered by the subcommittee. Input was requested and received from a variety of individuals and organizations throughout the process. These recommendations are based on the fundamental belief that the needs of each child should be first and foremost in developing any revised reimbursement system. The recommendations were also driven by the following basic beliefs:

- **Foster parents should be reimbursed at a rate that covers the basic costs of raising a child.**
- **The number and intensity of services provided by foster parents should determine any supplemental reimbursement received by foster parents.**
- **Foster parent experience and training should be recognized.**
- **Foster parents should be treated as professionals who take an active part in the care and treatment of their foster children.**

With these basic beliefs in mind, the subcommittee offers the following specific recommendations:

1. Reimbursement rates paid to foster parents should be adjusted to more closely reflect the cost involved in caring for foster children. This recommendation involves three components; the basic rate paid to all foster parents, a supplemental rate paid to foster parents who obtain additional training, or who have served as foster parents on a long-term basis, and supplemental payments for foster parents providing care to foster children with exceptional or special needs.
 - a. **The Basic Rate** - The basic rate paid to all foster parents should be increased to 100% of USDA costs, minus medical expenses. In conjunction with an increase in basic rates, most of the "add-on" reimbursables that exist in the current system should be eliminated. Additional reimbursables should be retained for initial clothing allowance if necessary, day care, respite care, graduation expenses and medical care.
 - It must be recognized that foster parents do not get "paid" for taking care of foster children. The best our current system can manage is to provide foster parents with partial reimbursement of their costs. The USDA guidelines establish baseline minimum costs for raising a child in both rural

and urban settings. Our current reimbursement system does not even come close to meeting these standards.

- Under the existing system, foster parents are generally viewed and treated as fulfilling a temporary, maintenance care arrangement. There are no real efforts to actively engage foster parents as partners in the treatment and care of their foster children. Foster parents are not treated or viewed as professionals, in part because of the way they are compensated. The current reimbursement system helps to cast foster parents as second class citizens who are always more worried about their money than their children.
 - All foster children are "special needs" children because they have all experienced the trauma of disruption and displacement. Under our current system, we reimburse foster parents for a fraction of the cost of raising a child who has no special needs. We reimburse for "special needs" only in cases where the special needs are profound.
 - The imposition of a higher base rate and fewer add-ons will make the system simpler and will result in less paperwork for foster parents and CFC.
- b. **Additional reimbursement for training, length of service and superior performance** - Foster parents who obtain additional training should be recognized for their efforts through increased reimbursement. Foster parents should also receive length of service incentives, as well as recognition for superior performance.
- These actions will help to professionalize foster care, and will result in foster parents that are better trained and therefore more able to cope with the special needs of their foster children.
 - Providing a length of service incentive will encourage good foster parents to remain in the program.
 - Recognition of superior service and performance will encourage foster parents to establish and achieve higher standards for themselves and their foster children.
- c. **Recognition of additional costs for exceptional children** - The existing system for reimbursing foster parents who care for special needs children should be revised so that all foster parents caring for children with exceptional needs receive reimbursement for the extra services provided.

- Reimbursement rates should be based on the needs of the child, and not on previous placements in all cases.
 - The needs of each child should be determined through the use of a leveling system for all children in out-of-home care. Expansion and revision of the current levels system to all children in out-of-home care is discussed more completely as our fourth recommendation.
2. **Reimbursement rates should be increased as the costs of caring for children increase** - Reimbursement rates paid to foster parents should be reviewed and revised on a biennial basis to ensure that payments remain at 100% of the USDA recommendations.
 3. **Policies and procedures regarding foster care reimbursement should be uniform across the state** - Policy interpretations and communications of such interpretations should be uniform and consistent across the state. Such interpretations should be clearly and concisely communicated to all foster parents through a standard document.
 - Several individuals who testified before the subcommittee indicated that there is a high degree of miscommunication and misinformation regarding rates paid to foster parents and when foster parents meet the requirements for special reimbursement rates.
 4. **The current levels system should be expanded and revised to include all children in out-of-home care who are the legal responsibility of the Cabinet for Families and Children** - Under our existing system, children who are placed with private childcaring agencies are "leveled" - that is, the care needs of the child are determined prior to placement, and reviewed on a regular basis so that appropriate reimbursement levels can be established. Children who are not placed with private agencies are not assessed in such a manner. If all children were assessed prior to placement, additional appropriate services could be provided to the child and to the child's foster parents earlier, which could help prevent more intensive and costly placements for the child in the future.
 - This recommendation directly relates to recommendation 1. c., that increased reimbursement should be provided for foster parents who care for children with special or exceptional needs. In order to provide appropriate reimbursement for special needs or exceptional children, some type of evaluation system must be established.
 5. **All foster parents caring for children of comparable difficulty should receive comparable payment, regardless of where they live, or whether they are paid by the state or a private child-caring agency.** Under our current system, it is difficult to compare rates paid to foster parents under the state system and the private system because the systems are so different. For example, most state foster parents receive a

lower base rate, but may be reimbursed for "add-ons," while in the private system, foster parents may receive a higher base rate with fewer add-ons.

- 6. Innovative pilot projects should be encouraged by both the state and private child caring agencies to offer alternative delivery systems and creative programs that may differ from the traditional systems in both funding mechanisms and service delivery.**
 - Any standard reimbursement system that is developed should encourage innovation and creativity by allowing alternative funding mechanisms and service delivery programs so that the system will continually improve.
- 7. The biennial budget request prepared by the Cabinet for Families and Children shall include requests for funding to implement all final recommendations of the Subcommittee on the Cost and Reimbursement of Foster Care of the Task Force on Children in Placement.**

Other Comments:

In the course of gathering information to formulate these recommendations, the subcommittee received comments and heard testimony from many individuals on many subjects. Some of the beliefs and recommendations based on information received were not directly related to the mission of the subcommittee, and are therefore not reflected in the recommendations presented above. However, given the overall mission of the Task Force on Children in Placement, the members of the subcommittee agreed that is appropriate to offer the following additional suggestions regarding the state foster care system in general:

- In all cases, the focus should be on making the right placement for a child on the first try, with an honest attempt to meet the unique individual needs of each child.
- Foster parents should be guaranteed participation in the state health insurance plan.
- More training opportunities should be made available to foster parents to help them learn how to better help the children in their care.
- Allegations of abuse against foster parents should be handled differently. The current investigative system is not consistent across all counties. Other states use a Foster Allegation Support Team (FAST) to support foster families when an allegation of abuse is brought. Kentucky should explore the implementation of a FAST system.
- A mentoring program matching new foster parents with experienced foster parents should be established.

Task Force on Children in Placement
Department for Social Services
Responses to Recommendations
June 11, 1997

Recommendation 1:

Reimbursement rates paid to foster parents should be adjusted to more closely reflect the cost involved in caring for foster children.

a. The basic rate

Q. After reflecting the costs at 100% of USDA costs, as detailed in the recommendation, provide the costs at 90%, 80%, etc. (stopping at a percent equal to the current dollar amount)

A. see Attachment

b. Additional reimbursement for training, length of service and superior performance

Q. Reflect separately: a) actual training costs, b) travel, food, etc. reimbursement, c) child care, respite, etc. necessary for the foster parents to attend, and d) any other costs

A. The Department's current policy is to reimburse foster parent households who have completed special needs foster parent training an additional \$2.00 per day per child. There is also a training incentive built into the per diem rates for medically fragile and family treatment home care. If the policy of providing an additional \$2.00 per day were to be applied to all foster parent households not currently incented for participating in non-required training, and all foster parent households participated, the cost would be \$1,189,900 on an annualized basis. (This is derived from assuming there would be 1,630 children whose per diems would be affected.) The state share of the cost would be approximately \$690,000.

Foster parents are reimbursed for travel, food, etc. for attending training under the same guidelines as state employees. Location and length of training would influence the cost associated with this recommendation, both with regard to travel costs and child care costs. Due to the many variables, a projection of that cost is not available.

The Department is currently reviewing other states policies regarding incentive payments for longevity of foster parent service. Of the Department's active foster parent households, 1,025 have provided service for five years or less; 361 have served between 6 and 10 years; 193 up to 15 years; 55 up to 20 years; and, 90 for more than 20 years.

c. Recognition of additional costs for exceptional children

Q. If enacted and funded, how much of the estimates for Recommendation 4 (expansion of current levels system to include all children) would not be necessary

A. Implementing the recommendation that reimbursement rates should be based on the needs of the child would require a method of evaluation for each child. This would most likely be achieved through a leveling process, such as that in Recommendation 4. The costs associated with implementing Recommendation 1c would depend on the payment structure that would be developed for each level of service need and the number of children projected to be in each of those levels. Development of this type of structure would require data collection and analysis, determination of criteria for each level of care, and, potentially, promulgation of an administrative regulation. Based on the experience of developing the current levels of care system, this process would span several months.

Recommendation 2:

Reimbursement rates should be increased as the costs of caring for children increase.

Q. Estimated annual dollar and percentage increase based upon each percent of USDA estimated Recommendation 1a.

A. USDA costs are determined as the result of surveys conducted every two to three years and revised annually for inflation. In order to prospectively adjust for increases to a current USDA, rates for the biennium could be increased by an inflation-adjusted percentage each year of the biennium. The attachment displays what those rates would be if adjusted annually by 3% due to inflation. The state share of that cost would be determined in the same manner displayed in the box on the right hand side of the attachment, p. 2-4.

Recommendation 3:

Policies and procedures regarding foster care reimbursement should be uniform across the state.

Q. Estimate at the lowest (most detailed) level for which information is available, such as personnel, travel, contracts, etc.

A. Moving to a leveling system based on a child's needs, with a payment amount attached to a level, would minimize the opportunity for policies and procedures to be differentially interpreted. Because the lack of uniformity is not able to be related to

specific children or foster parent households, a cost for achieving uniformity cannot be determined.

Recommendation 4:

The current levels system should be expanded and revised to include all children in out-of-home care who are the legal responsibility of the Cabinet for Families and Children.

Q1. Estimate at the lowest (most detailed) level for which information is available, such as age categories, types of Foster Care payments, etc.

A. The attachment displays the numbers of children in each age range of basic foster care as well the number of children in the more specialized types of care, i.e., shelter, family treatment and medically fragile. Assuming a 10% growth of population into FY 99, approximately 4,000 new cases would need to be processed through a levels system.

Q2. If enacted and funded, how much of the estimates for 1c (recognition of additional costs for exceptional children) would not be necessary?

A. In addition to the administrative cost of securing the service of an independent gatekeeper to process the cases, there would be costs associated with the use of an evaluation tool (such as the Archenbach that is used in the current levels of care program or another behavioral rating scale).

Recommendation 5:

All foster parents caring for children of comparable difficulty should receive comparable payment, regardless of where they live, or whether they are paid by the state or a private agency.

Q. Estimate costs/savings from both perspectives: a) all reverting to the method utilized by the private child care agencies and b) all reverting to the method utilized by the state system

A. In order to derive an estimate of the costs/savings from either private child caring agencies using the state's method or the converse, several manipulations of data would have to occur. The comparison would most aptly be made between the rates paid to private child care's therapeutic foster homes and the Department's family treatment homes, rather than all of the Department's foster care as most of the children in basic foster care have less intensive service needs than those in either therapeutic foster care or family treatment homes. Since the per diem private child care agencies receive for their therapeutic foster care includes an administrative cost for the administration of the program, this cost would have to be separated from the total per diem rate. One component of the private child care agencies' cost reports for 1996 that

were just recently received in the Department was a question that asked the agency to separate (in total amounts for the care of all children in their foster homes) their administrative costs from the cost of maintenance and treatment. An analysis of the inclusivity of that data has not yet been made. Under the current payment structure in the Department, non-per diem add-ons are only reimbursed when proof of expenditure is provided. To compare the Department's rate, which could include add-ons, with the flat rate paid by the private agencies would require assumptions about an average/maximum amount attributable to these add-ons as this data is not separately collected.

Recommendation 6:

Innovative pilot projects should be encouraged by both the state and private child caring agencies to offer alternative delivery systems and creative programs that may differ from the traditional systems in both funding mechanisms and service delivery.

No question.

Recommendation 7:

The biennial budget request prepared by the Cabinet for Families and Children shall include requests for funding to implement all final recommendations of the Subcommittee on the Cost and Reimbursement of Foster Care of the Task Force on Children in Placement.

Q. Identify any additional costs that would result from any Recommendation 1 through 6 that are not reflected in the Recommendation estimate

A. The Department is continuing to analyze the recommendations made by the Task Force with regard to policy issues and regulatory implications. As this analysis continues, additional budget projections may be made.

SUMMARY: FOSTER CARE RATE CHANGE
 PRELIMINARY ESTIMATE
 IMPACT OF RATE INCREASE AT VARIOUS PERCENTAGES (%) OF USDA 1996

Age / Type	0 - 4	5 - 12	13 - 21	SHELTER	FAMILY TREATMENT	MEDICALLY FRAGILE	TOTAL INCREASE	FEDERAL SHARE	STATE COST
Current rates	\$10.00	\$10.75	\$12.25	\$ 19.00	\$ 27.00	\$ 27.00			
FY 98 Children	955.9	1,384.9	882.2	194.7	83.6	77.0	3,578.3	average # of children per day	
FY 99 Children	1,051.5	1,523.4	970.4	214.2	92.0	84.7	3,936.1	average # of children per day	
100% USDA	\$ 18.35	\$ 20.35	\$ 22.60	\$ 35.30	\$ 50.15	\$ 50.15			
Estimated Increase	\$3,204,679	\$5,337,959	\$3,666,004	\$1,274,204	\$ 777,375	\$ 716,003	\$ 14,976,223	\$5,765,846	\$ 9,210,377
90% USDA	\$ 16.50	\$ 18.30	\$ 20.35	\$ 31.75	\$ 45.10	\$ 45.10			
Estimated Increase	\$2,494,660	\$4,198,082	\$2,869,047	\$ 996,694	\$ 608,205	\$ 560,189	\$ 11,726,876	\$4,514,847	\$ 7,212,029
80% USDA	\$ 14.70	\$ 16.30	\$ 18.10	\$ 28.25	\$ 40.15	\$ 40.15			
Estimated Increase	\$1,803,831	\$3,086,007	\$2,072,089	\$ 724,655	\$ 442,056	\$ 407,157	\$ 8,535,796	\$3,286,281	\$ 5,249,515
70% USDA	\$ 12.85	\$ 14.25	\$ 15.80	\$ 24.70	\$ 35.10	\$ 35.10			
Estimated Increase	\$1,093,812	\$1,946,131	\$1,257,422	\$ 445,581	\$ 271,880	\$ 250,416	\$ 5,265,241	\$2,027,118	\$ 3,238,123
60% USDA	\$ 11.00	\$ 12.20	\$ 13.55	\$ 21.15	\$ 30.05	\$ 30.05			
Estimated Increase	\$ 383,794	\$ 806,254	\$ 460,464	\$ 168,952	\$ 103,046	\$ 94,911	\$ 2,017,320	\$ 776,668	\$ 1,240,652
FY 2000 Children	1,156.6	1,675.7	1,067.5	235.6	101.2	93.2	4,329.7	average # of children per day	
100% USDA	\$ 18.35	\$ 20.35	\$ 22.60	\$ 35.30	\$ 50.15	\$ 50.15			
Estimated Increase	\$3,525,147	\$5,671,754	\$4,032,605	\$1,401,625	\$ 855,112	\$ 787,603	\$ 16,473,846	\$6,342,431	\$ 10,131,415
90% USDA	\$ 16.50	\$ 18.30	\$ 20.35	\$ 31.75	\$ 45.10	\$ 45.10			
Estimated Increase	\$2,744,128	\$4,617,890	\$3,155,951	\$1,096,363	\$ 669,026	\$ 616,208	\$ 12,899,564	\$4,966,532	\$ 7,933,032
80% USDA	\$ 14.70	\$ 16.30	\$ 18.10	\$ 28.25	\$ 40.15	\$ 40.15			
Estimated Increase	\$1,884,214	\$3,334,808	\$2,279,298	\$ 797,120	\$ 486,282	\$ 447,673	\$ 9,389,376	\$3,614,810	\$ 5,774,566
70% USDA	\$ 12.85	\$ 14.25	\$ 15.80	\$ 24.70	\$ 35.10	\$ 35.10			
Estimated Increase	\$1,203,194	\$2,140,744	\$1,383,164	\$ 490,139	\$ 299,068	\$ 275,457	\$ 5,791,765	\$2,229,830	\$ 3,561,935
60% USDA	\$ 11.00	\$ 12.20	\$ 13.55	\$ 21.15	\$ 30.05	\$ 30.05			
Estimated Increase	\$ 422,173	\$ 886,880	\$ 506,511	\$ 185,737	\$ 113,350	\$ 104,402	\$ 2,219,052	\$ 854,335	\$ 1,364,717

100% USDA is based on Expenditures on Children by Families: 1996 Annual Report USDA Miscellaneous Publication Number 1528-1996, May, 1997. Expenditures for a middle income family in the Urban South (over 2,500) were used for this analysis.

Total cost per child is adjusted by deducting medical expenses and a portion of Child Care and educational expenses which are reimbursed separately.

Number of children based on average of ICV system reports for July, 1996 and January, 1997 plus 5% for missing data. A growth rate of 10% per year is assumed.

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cost based on USDA 1996

USE ICV NUMBERS PAID FOR JULY, 1996 AND JANUARY, 1997 ADJUSTED FOR
MISSING DATA

	0 - 4	5 - 12	13 - 21	
current rate	\$10.00	\$10.75	\$12.25	
USDA at percent of cost				
100%	\$18.35	\$20.35	\$22.60	
1996 USDA less health & child care				
Current rate as % of USDA	54.50%	52.83%	54.20%	
EST '97 w 3% inflation	\$18.90	\$20.95	\$23.30	
EST '98 w 3% inflation	\$19.45	\$21.60	\$24.00	
EST '99 w 3% inflation	\$20.05	\$22.25	\$24.70	
EST 2000 w 3% inflation	\$20.65	\$22.90	\$25.45	
Present rate	\$10.00	\$10.75	\$12.25	
as % of 1997 USDA est	52.91%	51.31%	52.58%	
as % of 1998 USDA est	51.41%	49.77%	51.04%	
as % of 1999 USDA est	49.88%	48.31%	49.60%	
as % of 2000 USDA est	48.43%	46.94%	48.13%	
proposed new rates	\$18.35	\$20.35	\$22.60	
new rate as % of 1997 est	97.09%	97.14%	97.00%	
new rate as % of 1998 est	94.34%	94.21%	94.17%	
new rate as % of 1999 est	91.52%	91.46%	91.50%	
new rate as % of 2000 est	88.86%	88.86%	88.80%	
Children in foster care by age		(less shelter, med frag)		
FY 97 avg	869.0	1,259.0	802.0	2,930 FY 97
FY 98 estimate	955.9	1384.9	882.2	3,223 Est FY 98
with growth of	29.66%	42.97%	27.37%	= percent of total
10%	365	365	365	
AMOUNT OF INCREASE	\$8.35	\$9.60	\$10.35	
COST: BASE RATES	\$2,913,344.23	\$4,852,689.60	\$3,332,731.05	\$11,098,764.88

DRAFT

State/Federal Split	
total cost	\$13,614,749
IV-E children	55%
IV-E Cost	\$7,486,112
Federal %	70%
Federal \$\$	\$5,241,678
State Match	\$2,246,434
Non IV-E children	\$6,126,637
Total State Funds needed	\$8,373,070

	SHELTER	FAM TMT	MED FRAGILE	
current rates	19.00	27.00	27.00	
% increase in base rates	85.76%	85.76%	85.76%	
use	85.76%	85.76%	85.76%	
Proposed increase	16.30	23.16	23.16	
Proposed rate	\$35.30	\$50.15	\$50.15	
	365	365	365	
FY 97 estimate of children	177.0	76.0	70.0	323.0
FY 98 estimate with growth	194.7	83.6	77.0	355.3
10%				
Cost of Increase	\$1,158,367.65	\$706,704.24	\$650,911.80	\$2,515,983.69
TOTAL INCREASE				\$13,614,748.57

100% of USDA

FY 99 ESTIMATE: TRIAL REVISION IN FOSTER CARE RATE

Cost based on USDA 1996

BASE ICD NUMBERS PAID FOR JULY, 1996 AND JANUARY, 1997 ADJUSTED FOR MISSING DATA

	0 - 4	5 - 12	13 - 21
Current rate	\$10.00	\$10.75	\$12.25
SDA at percent of cost			
100%	\$18.35	\$20.35	\$22.60
996 USDA less health & child care			
Current rate as % of USDA	54.50%	52.83%	54.20%
ST '97 w 3% inflation	\$18.90	\$20.95	\$23.30
ST '98 w 3% inflation	\$19.45	\$21.60	\$24.00
ST '99 w 3% inflation	\$20.05	\$22.25	\$24.70
ST 2000 w 3% inflation	\$20.65	\$22.90	\$25.45
Present rate	\$10.00	\$10.75	\$12.25
% of 1997 USDA est	52.91%	51.31%	52.58%
% of 1998 USDA est	51.41%	49.77%	51.04%
% of 1999 USDA est	49.88%	48.31%	49.50%
% of 2000 USDA est	48.43%	46.94%	48.13%
Proposed new rates	\$18.35	\$20.35	\$22.60
New rate as % of 1997 est	97.09%	97.14%	97.00%
New rate as % of 1998 est	94.24%	94.21%	94.17%
New rate as % of 1999 est	91.52%	91.46%	91.50%
New rate as % of 2000 est	88.62%	88.83%	88.80%
Children in foster care by age			
98 estimate	985.9	1,384.9	882.7
99 estimate	1,061.6	1,523.6	970.3
% growth of	29.56%	42.97%	27.37%
10%	365	365	365
QUANT			
INCREASE	\$8.35	\$9.60	\$10.35
NET BASE RATES	\$3,204,678.65	\$5,337,958.56	\$3,666,004.16
			\$12,208,641.36

DRAFT

State/Federal Split	
total cost	\$14,976,223
IV-E children	55%
IV-E Cost	\$8,236,823
Federal %	70%
Federal \$\$	\$5,765,846
State Match	\$2,471,077
Non IV-E children	\$6,739,301
Total State	
Funds needed	\$9,210,377

	SMELTER	FAM TMT	MED FRAGILE
Unit rates	19.00	27.00	27.00
Increase in unit rates	85.76%	85.76%	85.76%
Proposed increase	16.30	23.16	23.16
Proposed rate	\$35.30	\$50.15	\$50.15
98 estimate of children	194.7	83.6	77.0
99 estimate with growth	214.2	92.0	84.7
10%			
% of increase	\$1,274,204.42	\$777,374.66	\$716,002.98
			\$2,767,582.06
TOTAL INCREASE			\$14,976,223.42

cost based on USDA 1996

USE ICV NUMBERS PAID FOR JULY, 1996 AND JANUARY, 1997 ADJUSTED FOR MISSING DATA

	0 - 4	5 - 12	13 - 21
current rate	\$10.00	\$10.75	\$12.25
USDA at percent of cost			
100%	\$18.35	\$20.35	\$22.60
1996 USDA less health & child care			
Current rate as % of USDA	54.50%	52.83%	54.20%
EST '97 w 3% inflation	\$18.90	\$20.95	\$23.30
EST '98 w 3% inflation	\$19.45	\$21.60	\$24.00
EST '99 w 3% inflation	\$20.05	\$22.25	\$24.70
EST 2000 w 3% inflation	\$20.65	\$22.90	\$25.45
Present rate	\$10.00	\$10.75	\$12.25
as % of 1997 USDA est	52.91%	51.31%	52.58%
as % of 1998 USDA est	51.41%	49.77%	51.04%
as % of 1999 USDA est	49.88%	48.31%	49.60%
as % of 2000 USDA est	48.43%	46.94%	48.13%
proposed new rates	\$18.35	\$20.35	\$22.60
new rate as % of 1997 est	97.09%	97.14%	97.00%
new rate as % of 1998 est	94.34%	94.21%	94.17%
new rate as % of 1999 est	91.52%	91.46%	91.50%
new rate as % of 2000 est	88.86%	88.86%	88.80%
Children in foster care by age		(less shelt, med frag)	
FY 99 estimate	1,051.49	1,523.39	970.42
FY 2000 estimate	1,156.64	1,675.73	1,067.46
with growth of	29.66%	42.97%	27.37%
10%	365	365	365
AMOUNT OF INCREASE	\$8.35	\$9.60	\$10.35

3,545 FY 97
3,900 Est FY 98
= percent of total

DRAFT

State/Federal Split	
total cost	\$16,473,846
IV-E children	55%
IV-E Cost	\$9,060,615
Federal %	70%
Federal \$\$	\$6,342,431
State Match	\$2,718,185
Non IV-E children	\$7,413,231
Total State Funds needed	\$10,131,415

COST: BASE RATES	\$3,525,146.51	\$5,871,754.42	\$4,032,604.57	\$13,429,505.50
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	SHELTER	FAM TMT	MED FRAGILE	
current rates	19.00	27.00	27.00	
% increase in base rates	85.76%	85.76%	85.76%	
use	85.76%	85.76%	85.76%	
Proposed increase	16.30	23.16	23.16	
Proposed rate	\$35.30	\$50.15	\$50.15	
	365	365	365	
FY 99 estimate of children	214.17	91.96	84.70	390.83
FY 2000 estimate	235.59	101.16	93.17	429.91
10%				
Cost of Increase	\$1,401,624.86	\$855,112.13	\$787,603.28	\$3,044,340.26
TOTAL INCREASE				\$16,473,845.76

APPENDIX O

Task Force Resolution on the Cabinet for Families and Children Budget

Task Force on Children in Placement Resolution

A RESOLUTION urging Governor Patton to direct the Cabinet for Families and Children to determine an accurate level of funding needed by the Department for Social Services and to use that baseline in determining future budget requests.

WHEREAS, the 1996 General Assembly recognized and acknowledged that Kentucky's system for serving the residential placement needs of children was operating in crisis and then responded by enacting Senate Concurrent Resolution 107 to create the Task Force on Children in Placement to examine the issues; and

WHEREAS, for the past eighteen months, the Task Force has conducted analysis of data and heard testimony that has validated the concerns of the General Assembly as to the severity of the crisis in services to these children and families; and

WHEREAS, the cost of treatment for children in custody is taking up more and more of the human services budget within the Department for Social Services in the Cabinet for Families and Children resulting in a budget shortfall of over \$60 million; and

WHEREAS, the history of recurring Department for Social Services budget crises and routine use of temporary strategies to resolve shortfalls has resulted in an unreliable baseline upon which to predict future budgetary needs; and

WHEREAS, the General Assembly acknowledges that addressing treatment needs in a prompt and appropriate manner can halt the predictable, progressive movement of some children into increasingly restrictive and more expensive levels of care; and

WHEREAS, if nothing is done to respond to this crisis in services and budgeting, we face ever greater harm to these children and families; and

WHEREAS, the economic future of the Commonwealth is contingent upon the success and contribution of each and every child; and

WHEREAS, the Governor has demonstrated effective leadership and vision to address complex and contentious issues, proposed bold and progressive initiatives to correct fundamental system deficiencies, and persistently worked to develop consensus on

solutions;

NOW, THEREFORE,

Be it resolved by the Task Force on Children in Placement of the Legislative Research Commission of the Commonwealth of Kentucky:

1 Section 1. The Task Force on Children in Placement encourages Governor Paul
2 Patton to exert his leadership abilities considering children and families in the same manner
3 and with the same intense commitment that he has applied to the issues of higher
4 education and for workers' compensation.

5 Section 2. The Task Force on Children in Placement urges that Governor Paul
6 Patton direct the Cabinet for Families and Children to determine an accurate level of
7 funding required to sustain and continue the services and programs currently provided by
8 the Department for Social Services with specific attention to the requirements of children
9 in out-of-home care. The Task Force further asks that Governor Patton support this
10 cabinet effort by using the resulting figures as the baseline of need and as the starting point
11 for calculating the continuation budget for fiscal years 1999 and 2000.

12 Section 3. The Task Force on Children in Placement respectfully requests that the
13 results of the aforementioned request from the Cabinet for Families and Children be
14 presented to the Governor and the Task Force no later than October 1, 1997.

15 Section 4. The secretary of the Task Force on Children in Placement is hereby
16 directed to transmit copies of this Resolution to Governor Paul Patton and to Viola P.
17 Miller, Secretary, Cabinet for Families and Children.

